8-29-86
Vol. 51 No. 168
Pages 30835-31088

Federal Register

Friday
August 29, 1986

Briefings on How to Use the Federal Register—
For information on briefings in Washington, DC, see announcement on the inside cover of this issue.

FEDERAL REGISTER Published daily, Monday through Friday, (not published on Saturdays, Sundays, or on official holidays), by the Office of the Federal Register, National Archives and Records Administration, Washington, DC 20408, under the Federal Register Act (49 Stat. 500, as amended; 44 U.S.C. Ch. 15) and the regulations of the Administrative Committee of the Federal Register (1 CFR Ch. I). Distribution is made only by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

The **Federal Register** provides a uniform system for making available to the public regulations and legal notices issued by Federal agencies. These include Presidential proclamations and Executive Orders and Federal agency documents having general applicability and legal effect, documents required to be published by act of Congress and other Federal agency documents of public interest. Documents are on file for public inspection in the Office of the Federal Register the day before they are published, unless earlier filing is requested by the issuing agency.

The **Federal Register** will be furnished by mail to subscribers for $300.00 per year, or $150.00 for 6 months, payable in advance. The charge for individual copies is $1.50 for each issue, or $1.50 for each group of pages as actually bound. Remit check or money order, made payable to the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

There are no restrictions on the republication of material appearing in the **Federal Register.**

Questions and requests for specific information may be directed to the telephone numbers listed under INFORMATION AND ASSISTANCE in the READER AIDS section of this issue.

How To Cite This Publication: Use the volume number and the page number. Example: 51 FR 12345.

THE FEDERAL REGISTER
WHAT IT IS AND HOW TO USE IT

FOR: Any person who uses the Federal Register and Code of Federal Regulations.

WHO: The Office of the Federal Register.

WHAT: Free public briefings (approximately 2 1/2 hours) to present:

1. The regulatory process, with a focus on the Federal Register system and the public's role in the development of regulations.
2. The relationship between the Federal Register and Code of Federal Regulations.
3. The important elements of typical Federal Register documents.
4. An introduction to the finding aids of the FR/CFR system.

WHY: To provide the public with access to information necessary to research Federal agency regulations which directly affect them. There will be no discussion of specific agency regulations.

WASHINGTON, DC

WHEN: September 25; at 9 am.

WHERE: Office of the Federal Register, First Floor Conference Room, 1100 L Street NW., Washington, DC.

RESERVATIONS: Doris Tucker 202–523–3419

Contents

Federal Register
Vol. 51, No. 168
Friday, August 29, 1986

Reader Aids
Additional information, including a list of public laws, telephone numbers, and finding aids, appears in the Reader Aids section at the end of this issue.

CFR PARTS AFFECTED IN THIS ISSUE

A cumulative list of the parts affected this month can be found in the Reader Aids section at the end of this issue.

7 CFR
12 30835
301 30835
370 30836
908 30837
1940 30835
1941 30835
1943 30835
1945 30835
1980 30835

8 CFR
238 30837

9 CFR
92 30838
Proposed Rules:
151 30869

10 CFR
2 30839
Proposed Rules:
19 (2 documents) 30870, 30873
20 (2 documents) 30870, 30873
30 (2 documents) 30870, 30873
31 (2 documents) 30870, 30873
32 (2 documents) 30870, 30873
34 (2 documents) 30870, 30873
40 (2 documents) 30870, 30873
50 (2 documents) 30870, 30873
61 (2 documents) 30870, 30873
70 (2 documents) 30870, 30873

12 CFR
201 30847
545 30848
563 30848
Proposed Rules:
543 30956
545 30874
546 30956
562 30956
563 (2 documents) 30874, 30956
563b 30956
574 30956

14 CFR
39 30853
75 30855
Proposed Rules:
71 30874
75 30874

16 CFR
Proposed Rules:
444 30875

18 CFR
35 30855

20 CFR
629 30856

22 CFR
Proposed Rules:
526 30878
527 30878

24 CFR
888 31014

26 CFR
20 30857
25 30857
602 30857

29 CFR
Proposed Rules:
102 30884

40 CFR
Proposed Rules:
52 31076
86 30984

42 CFR
Proposed Rules:
124 31000

44 CFR
64 (2 documents) 30857, 30861

46 CFR
510 30862
580 30862
582 30862

47 CFR
22 30865
90 30865

48 CFR
Proposed Rules:
Ch. 18 30884

50 CFR
20 31084
661 30867
Proposed Rules:
653 30885

Rules and Regulations

Federal Register
Vol. 51, No. 168
Friday, August 29, 1986

DEPARTMENT OF AGRICULTURE

Office of the Secretary

Farmers Home Administration

7 CFR Parts 12, 1940, 1941, 1943, 1945, and 1980

Highly Erodible Land and Wetland Conservation

AGENCY: Office of the Secretary and Farmers Home Administration, USDA.

ACTION: Interim Rule; Extension of Comment Period.

SUMMARY: The current 60 day comment period on the interim rule that appeared at page 23496 in Volume 51 the **Federal Register** of Friday, June 27, 1986 (FR Doc. 86-14499) expires on August 26, 1986. That interim rule set forth the terms and conditions under which a person who has produced an agricultural commodity on highly erodible land or newly converted wetland shall be declared ineligible for certain benefits provided by the U.S. Department of Agriculture as required by Subtitles B and C of Title XII of the Food Security Act of 1985 (Pub. L. 99-198). This document extends the comment period for that interim rule for an additional 60 days to allow citizens as well as Federal, State and local officials ample time to comment on the interim rule.

DATES: Comments on the interim rule are being extended for a 60 day period from August 26, 1986 to October 25, 1986. Comments must be received on or before October 25, 1986, in order to be assured of consideration.

ADDRESS: Comments should be mailed to Director, Cotton, Grain, and Rice Price Support Division, Agricultural Stabilization and Conservation Service, P.O. Box 2415, Washington, DC 20013.

FOR FURTHER INFORMATION CONTACT: Mr. Alex King, Program Specialist, Cotton, Grain, and Rice Support Division, Agricultural Stabilization and Conservation Service, United States Department of Agriculture, P.O. Box 2415, Washington, DC 20013. Phone: (202) 447-4542.

Issued at Washington, DC, on August 26, 1986.

Peter C. Myers,
Acting Secretary.

[FR Doc. 86-19575 Filed 8-26-86; 11:45 am]
BILLING CODE 3410-07-M

Animal and Plant Health Inspection Service

7 CFR Part 301

[Docket No. 86-334]

Gypsy Moth Regulated Areas; Affirmation of Interim Rule

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Affirmation of interim rule.

SUMMARY: This document affirms without change an interim rule published in the **Federal Register** on May 8, 1986, which amended the gypsy moth and browntail moth quarantine and regulations by (1) adding Illinois, Indiana, Minnesota, Ohio, and Wisconsin to the list of States quarantined because of the gypsy moth; (2) by designating previously nonregulated areas in Illinois, Indiana, Maine, Minnesota, Ohio, Oregon, Virginia, and Wisconsin as gypsy moth low-risk areas; (3) by redesignating areas in Delaware, Maine, Maryland, Michigan, and Virginia from gypsy moth low-risk areas to gypsy moth high-risk areas; (4) by designating previously nonregulated areas in Oregon as gypsy moth high-risk areas; and, (5) by removing portions of regulated areas in Michigan and Washington from the list of gypsy moth regulated areas. The quarantine and regulations impose restrictions on the interstate movement of certain articles from gypsy moth high-risk areas and gypsy moth low-risk areas. This rule is necessary in order to prevent the artificial spread interstate of gypsy moth and remove unnecessary restrictions of the interstate movement of certain articles.

EFFECTIVE DATE: August 29, 1986.

FOR FURTHER INFORMATION CONTACT: Thomas G. Flanigan, Assistant Staff Officer, Field Operations Support Staff, Plant Protection and Quarantine, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, Room 663, Federal Building, Hyattsville, MD 20782, (301) 436-8295.

SUPPLEMENTARY INFORMATION:

Background

An interim rule published in the **Federal Register** on May 8, 1986, (51 FR 16993-17001) amended § 301.45-2a of the gypsy moth and browntail moth quarantine and regulations (7 CFR 301.45 *et seq.*, referred to below as the regulations) by (1) adding Illinois, Indiana, Minnesota, Ohio, and Wisconsin to the list of States quarantined because of the gypsy moth; (2) by designating previously nonregulated areas in Illinois, Indiana, Maine, Minnesota, Ohio, Oregon, Virginia, and Wisconsin as gypsy moth low-risk areas; (3) by redesignating areas in Delaware, Maine, Maryland, Michigan, and Virginia from gypsy moth low-risk areas to gypsy moth high-risk areas; (4) by designating previously nonregulated areas in Oregon as gypsy moth high-risk areas; and, (5) by removing portions of regulated areas in Michigan and Washington from the list of gypsy moth regulated areas. The quarantine and regulations impose restrictions on the interstate movement of certain articles from gypsy moth high-risk areas and gypsy moth low-risk areas. The interim rule became effective on the date of publication.

Comments were solicited for 60 days after publication of the interim rule. No comments were received in response to the interim rule. The factual situations which were set forth in the document of May 8, 1986, still provide a basis for the amendments made by the interim rule. Accordingly, it has been determined that the amendments should remain effective as published in the **Federal Register** on May 8, 1986.

Executive Order 12291 and Regulatory Flexibility Act

This rule is issued in conformance with Executive Order 12291 and has been determined to be not a "major rule." Based on information compiled by the Department, it has been determined that this rule will have an estimated

annual effect on the economy of approximately $135,500; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not cause significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

For this action, the Office of Management and Budget has waived the review process required by Executive Order 12291.

This action affects the interstate movement of regulated articles from specified areas in the States of Delaware, Illinois, Indiana, Maine, Maryland, Michigan, Minnesota, Ohio, Oregon, Virginia, Washington, and Wisconsin. Based on information compiled by the U.S. Department of Agriculture, it has been determined that there are many hundreds of small entities that move regulated articles interstate from such States and many thousands of small entities that move regulated articles interstate from other States. However, based on such information, it has been determined that only approximately 659 small entities move regulated articles interstate from the specified areas affected by this action. Further, the annual overall economic impact from this action is estimated to be less than $135,500.

Under these circumstances, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Executive Order 12372

The program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR Part 3015, Subpart V)

List of Subjects in 7 CFR Part 301

Agricultural commodities, Plant diseases, Plant pests, Plants (Agriculture), Quarantine, Transportation, Gypsy Moth.

PART 301—DOMESTIC QUARANTINE NOTICES

Accordingly, the interim rule published at 51 FR 16997–17001 on May 8, 1986, is adopted as a final rule.

Authority: 7 U.S.C. 150dd, 150ee, 150ff, 161, 162, and 164–167; 7 CFR 2.17, 2.51, and 371.2(c).

Done at Washington, DC, this 26th day of August 1986.

Donald F. Husnik,

Acting Deputy Administrator, Plant Protection and Quarantine, Animal and Plant Health Inspection Service.

[FR Doc. 86–19631 Filed 8–28–86; 8:45 am]

BILLING CODE 3410-34-M

---

7 CFR Part 370

[Docket No. 86–407]

Freedom of Information

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Final rule.

SUMMARY: This document amends §§ 370.4 and 370.5 of the Freedom of Information Act (FOIA) regulations (contained in 7 CFR 370 *et seq.*) by revising the address of the FOIA coordinator in these sections. This action is necessary because of the relocation of the office of the FOIA coordinator for the Animal and Plant Health Inspection Service (APHIS).

EFFECTIVE DATE: August 29, 1986.

FOR FURTHER INFORMATION CONTACT: Stasia A. Mozynski, Public Affairs Specialist, Legislative and Public Affairs Staff, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, Room 732, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782 (301) 436–7776.

SUPPLEMENTARY INFORMATION: The regulations for APHIS are found in 7 CFR Part 370. In § 370.4 of the FOIA regulations, the address of the FOIA coordinator is provided to enable persons to contact the coordinator when seeking information concerning the location where documents may be inspected under the FOIA. In § 370.5 of the FOIA regulations the address of the FOIA coordinator is provided for persons requesting APHIS records, and information other than published material. Since publication of the FOIA regulations, the office of the FOIA coordinator has been moved. This document revises the address of the FOIA coordinator in §§ 370.4 and 370.5 of the FOIA regulations.

Executive Order and Regulatory Flexibility Act

This rule is issued in conformance with Executive Order 12291 and has been determined not to be a "major rule." Based on information compiled by the Department, it has been determined that this rule will not have a significant effect on the economy; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; and will not cause adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

This rule relates to internal agency management and the provisions of Executive Order 12291 and Regulatory Flexibility Act are not applicable to this action.

Under the circumstances referred to above, the Administrator of the Animal and Plant Health Inspection Service has determined that this rule will not have a significant economic impact on a substantial number of small entities.

Effective Date

The address of the Freedom of Information Act Coordinator being revised by this document is a matter related to internal agency management.

Therefore, pursuant to 5 U.S.C. 553, notice of proposed rulemaking and opportunity for comment are not required, and this rule may be made effective less than 30 days after publication of this document in the **Federal Register.**

List of Subjects in 7 CFR Part 370

Freedom of information.

PART 370—FREEDOM OF INFORMATION

Under the circumstances described above, Part 370 of Chapter III of Title 7 of the Code of Federal Regulations, "Freedom of Information," is revised to read as follows:

1. The authority citation for Part 370 is revised to read as follows:

Authority: 5 U.S.C. 552.

2. Section 370.4 is amended by changing the address of the Freedom of Information Act Coordinator to read as follows:

§ 370.4 Facilities for inspection and copying.

* * * * *

Freedom of Information Act Coordinator, Animal and Plant Health Inspection Service, Room 732, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782.

* * * * *

3. Section 370.5(a) is amended by changing the address of the Freedom of

Information Act Coordinator to read as follows:

§ 370.5 Requests for records.

(a) * * *

Freedom of Information Act Coordinator, (FOIA Request), Animal and Plant Health Inspection Service, Room 732, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782.

* * * * *

Done at Washington, DC, this 22nd day of August 1986.

Bert W. Hawkins,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 86-19630 Filed 8-28-86; 8:45 am]

BILLING CODE 3410-34-M

Agricultural Marketing Service

7 CFR Part 908

[Valencia Orange Regulation 378]

Valencia Oranges Grown in Arizona and Designated Part of California; Limitation of Handling

AGENCY: Agricultural Marketing Service, USDA.

ACTION: Final rule.

SUMMARY: Regulation 378 establishes the quantity of California-Arizona Valencia oranges that may be shipped to market during the period August 29–September 4, 1986. The regulation is needed to balance the supply of fresh Valencia oranges with market demand for the period specified due to the marketing situation confronting the orange industry.

EFFECTIVE DATE: Regulation 378 (§ 908.678) is effective for the period August 29–September 4, 1986.

FOR FURTHER INFORMATION CONTACT: Ronald L. Cioffi, Chief, Marketing Order Administration Branch, F&V, AMS, USDA, Washington, DC 20250, telephone: 202/447-5697.

SUPPLEMENTARY INFORMATION: This final rule has been reviewed under Executive Order 12291 and Departmental Regulation 1512-1 and has been determined to be a "non-major" rule under criteria contained therein.

Pursuant to requirements set forth in the Regulatory Flexibility Act (REA), the Administrator of the Agricultural Marketing Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

The purpose of the RFA is to fit regulatory actions to the scale of business subject to such actions in order that small businesses will not be unduly or disproportionately burdened. Marketing orders issued pursuant to the Agricultural Marketing Agreement Act and rules issued thereunder are unique in that they are brought about through group action of essentially small entities acting on their own behalf. Thus, both statutes have small entity orientation and compatibility.

The regulation is issued under Marketing Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California. The order is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674). This action is based upon the recommendation and information submitted by the Valencia Orange Administrative Committee (VOAC) and upon other available information. It is hereby found that this action will tend to effectuate the declared policy of the act.

The regulation is consistent with the marketing policy for 1985–86. The committee met publicly on August 26, 1986, to consider the current and prospective conditions of supply and demand and recommended the quantity of Valencia oranges deemed advisable to be handled during the specified week. The committee reports that the market for Valencia oranges continues to improve.

It is further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rulemaking, and postpone the effective date until 30 days after publication in the Federal Register (5 U.S.C. 553), because there is insufficient time between the date when information upon which this regulation is based became available and the effective date necessary to effectuate the declared policy of the act. Interested persons were given opportunity to submit information and views on the regulation at an open meeting. To effectuate the declared policy of the act, it is necessary to make the regulatory provisions effective as specified, and handlers have been notified of the regulation and the effective date.

List of Subjects in 7 CFR Part 908

Marketing agreements and orders, California, Arizona, Oranges, Valencias.

1. The authority citation for 7 CFR Part 908 continues to read:

Authority: Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674.

2. Section 908.678 is added to read as follows:

§ 908.678 Valencia Orange Regulation 378.

The quantities of Valencia oranges grown in California and Arizona which may be handled during the period August 29, 1986, through September 4, 1986, are established as follows:

(a) District 1: 374,000 cartons;

(b) District 2: 476,000 cartons;

(c) District 3: Unlimited cartons.

Dated: August 27, 1986.

Joseph A. Gribbin,

Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 86-19741 Filed 8-28-86; 8:45 am]

BILLING CODE 3410-02-M

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service

8 CFR PART 238

Contracts With Transportation Lines; Addition of Northwest Airlines, Inc.

AGENCY: Immigration and Naturalization Service, Justice.

ACTION: Final rule.

SUMMARY: This rule amends the listing of transportation lines which have entered into agreements with the Service for the preinspection of their passengers and crew at locations outside the United States by adding the name of Northwest Airlines, Inc.

EFFECTIVE DATE: August 21, 1986.

FOR FURTHER INFORMATION CONTACT: Loretta J. Shogren, Director, Policy Directives and Instructions, Immigration and Naturalization Service, 425 I Street, NW., Washington, DC 20536; Telephone: (202) 633-3048.

SUPPLEMENTARY INFORMATION: The Commissioner of Immigration and Naturalization entered into an agreement with Northwest Airlines, Inc. on August 21, 1986, to provide for the preinspection of their passengers and crew as provided by section 238(b) of the Immigration and Nationality Act, as amended (18 U.S.C. 1228(b)). Preinspection outside the United States facilitates processing passengers and crew arrival at a U.S. port of entry and is a convenience to the traveling public.

Compliance with 5 U.S.C. 553 as to notice of proposed rulemaking and delayed effective date is unnecessary because the amendment merely adds transportation lines' names to the present listing and is editorial in nature.

This order constitutes a notice to the public under 5 U.S.C. 552 and is not a rule within the definition of section 1(a) of E.O. 12291.

List of Subjects in 8 CFR 238

Aliens, Common carriers, Government contracts, Inspections, Transportation lines.

Accordingly, Chapter I of Title 8 of the Code of Federal Regulations is amended as follows:

PART 238—CONTRACTS WITH TRANSPORTATION LINES

1. The authority citation for Part 238 continues to read as follows:

Authority: Secs. 103 and 238 of the Immigration and Nationality Act, as amended (8 U.S.C. 1103 and 1228).

§ 238.4 [Amended]

2. In § 238.4 *Preinspection outside the United States,* the listing of transportation lines is amended by adding the name Northwest Airlines, Inc. under "at Montreal" and "at Toronto."

* * * * *

Dated: August 25, 1986.

Richard E. Norton,

Associate Commissioner, Examinations, Immigration and Naturalization Service.

[FR Doc. 86-19580 Filed 8-28-86; 8:45 am]

BILLING CODE 4410-10-M

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 92

[Docket No. 86-043]

Special Ports for Pet Birds; Nogales, AZ, et al.

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Interim rule.

SUMMARY: This document amends the regulations concerning ports designated for the importation into the United States of pet birds by removing Nogales, Arizona; and El Paso and Laredo, Texas, from the list of special ports for the entry of pet birds from Mexico. This is necessary because few pet birds are offered for importation into the United States at these ports, while the Department continues to incur costs to operate and maintain them despite little or no occupancy.

DATES: Effective date is August 29, 1986. Written comments must be received on or before October 28, 1986.

ADDRESSES: Written comments should be submitted to Steven R. Poore, Acting Director, Regulatory Coordination, APHIS, USDA, Room 728, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782. Comments should state that they are in response to Docket Number 86-043. Written comments may be inspected at Room 728 of the Federal Building between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Mr. Wade Ritchie, Import-Export Operations Staff, VS, APHIS, USDA, Room 761, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, 301-436-8172.

SUPPLEMENTARY INFORMATION:

Background

The regulations in § 92.3 of 9 CFR Part 92 list a large number of ports with inspection stations or quarantine stations maintained by Veterinary Services for the importation of animals and birds. In addition to air and ocean ports and several other types of ports, § 92.3 lists special ports for the importation of pet birds.

The ports of Nogales, Arizona; and El Paso and Laredo, Texas, are located at the Mexican border. Quarantine facilities were established at these ports to accommodate pet birds entering the United States from Mexico. Very few pet birds have been imported from Mexico because they must be accompanied by an export permit, which is issued only in Mexico City and must be applied for in person. However, the Department continues to incur costs to operate and maintain the bird quarantine facilities despite little or no occupancy. In order to make better use of Department resources, the quarantine facilities for pet birds at these ports are being closed.

Therefore, it is necessary to amend § 92.3(f) of the regulations by removing Nogales, Arizona; and El Paso and Laredo, Texas, from the list of special ports for the entry of pet birds.

However, inspection stations at these ports will continue to operate, and certain pet birds exempt from quarantine requirements may be presented for entry at these ports.

* * * * *

Executive Order 12291 and Regulatory Flexibility Act

This action has been issued in accordance with Executive Order 12291 and has been determined to be not a "major rule." Based on information compiled by the Department, it has been determined that this rule will not have a significant effect on the economy; will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and will not cause a significant adverse effect on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

For this action, the Office of Management and Budget has waived its review process required by Executive Order 12291.

It is anticipated that the closing of quarantine facilities at the ports of Nogales, Arizona; and El Paso and Laredo, Texas, will not substantially reduce the number of pet birds imported from Mexico since the inconvenience of obtaining an export permit for pet birds from Mexico already keeps the number of such imports very low. Also, it is economically disadvantageous to the Department to continue to operate and maintain these quarantine facilities. Inspection stations at these ports will remain open for the entry of animals from Mexico and for the entry of pet birds exempt from quarantine requirements. The Mexican border ports of Hidalgo, Texas, and San Ysidro, California, will continue to operate as special ports for the entry of pet birds imported under § 92.2(c)(3).

Therefore, the Administrator of the Animal and Plant Health Inspection Service has determined that this action will not have a significant economic impact on a substantial number of small entities.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to the provisions of Executive Order 12372, which requires intergovernmental consultation with State and local officials. (See 7 CFR 3015, Subpart V.)

Effective Date

Therefore, pursuant to the administrative provisions in 5 U.S.C. 533, it is found upon good cause that prior notice and other public procedures with respect to this interim rule are unnecessary, and good cause is found for making this interim rule effective upon publication. Comments are being solicited for 60 days after publication of this document. A final document discussing comments received and any amendments required will be published in the **Federal Register.**

List of Subjects in 9 CFR Part 92

Animal diseases, Canada, Imports, Livestock and livestock products, Mexico, Poultry and poultry products, Quarantine, Transportation, Wildlife.

PART 92—IMPORTATION OF CERTAIN ANIMALS AND POULTRY AND CERTAIN ANIMAL AND POULTRY PRODUCTS; INSPECTION AND OTHER REQUIREMENTS FOR CERTAIN MEANS OF CONVEYANCE AND SHIPPING CONTAINERS THEREON

Accordingly, Part 92, Title 9, Code of Federal Regulations, is amended as follows:

1. The authority citation for Part 92 continues to read as set forth below:

Authority: 7 U.S.C. 1622; 19 U.S.C. 1306; 21 U.S.C. 102–105, 111, 134a, 134b, 134c, 134d, 134f, and 135; 7 CFR 2.17, 2.51, and 371.2(d).

2. Paragraph (f) of § 92.3 is revised to read:

§ 92.3 Ports designated for the importation of animals and birds.

* * * * *

(f) *Special ports for pet birds.* New York, New York; Miami, Florida; Hidalgo, Texas; Los Angeles and San Ysidro, California; and Honolulu, Hawaii, are designated as ports of entry for pet birds imported under the provisions of § 92.2(c)(3).

* * * * *

Done at Washington, D.C., this 19th day of August 1986.

J.K. Atwell,

Deputy Administrator, Veterinary Services.

[FR Doc. 86–19576 Filed 8–28–86; 8:45am]

BILLING CODE 3410–05–M

NUCLEAR REGULATORY COMMISSION

10 CFR Part 2

Radioactive Waste Below Regulatory Concern; Policy Statement

AGENCY: Nuclear Regulatory Commission.

ACTION: Final rule; policy statement.

SUMMARY: This notice contains a policy statement and staff implementation plan regarding expeditious handling of petitions for rulemaking to exempt specific radioactive waste streams from disposal in a licensed low-level waste disposal facility. For the Nuclear Regulatory Commission (NRC) to grant these rulemaking petitions, the waste streams must be sufficiently low in concentration or quantities of radionuclides for the Commission to find that they may be disposed of by alternative means without posing an undue risk to public health and safety. The policy statement and plan are in the nature of regulatory guidance for implementing existing requirements for rulemaking petitions in 10 CFR 2.802. The documents describe the kind of information petitioners should file to allow timely Commission review of the petition. They also describe decision criteria the Commission will use and the administrative procedures to be followed in order to permit the Commission to act upon the petition in an expedited manner. These documents respond to a mandate in the Low-Level Radioactive Waste Policy Amendments Act of 1985 and are being published as Appendix B to 10 CFR Part 2.

EFFECTIVE DATE: October 27, 1986.

ADDRESSES: Send any written comments or suggestions to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555; Attention: Docketing and Service Branch. Comments received within 60 days would be most helpful. Copies of comments received by the Commission may be examined or copied for a fee at the U.S. Nuclear Regulatory Commission (NRC) Public Document Room, 1717 H Street NW, Washington, DC 20555.

FOR FURTHER INFORMATION CONTACT: Kitty S. Dragonette, Division of Waste Management, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone: (301) 427–4300.

SUPPLEMENTARY INFORMATION:

List of Subjects in 10 CFR Part 2

Administrative practice and procedure, Classified business information, Freedom of information, Hazardous waste, Nuclear material, Nuclear power plants and reactors, Penalties, Sex discrimination.

For the reasons set forth below and under the authority of the Atomic Energy Act of 1954 as amended, the Energy Reorganization Act of 1974, as amended, and 5 U.S.C. 553, the NRC is adopting the following amendments to 10 CFR Part 2.

PART 2—RULES OF PRACTICE FOR DOMESTIC LICENSING PROCEDURES

1. The authority citation for Part 2 is revised to read as follows:

Authority: Secs. 161, 181, 68 Stat. 948, 953, as amended (42 U.S.C. 2201, 2231); sec. 191, as amended, Pub. L. 87–615, 76 Stat. 409 (42 U.S.C. 2241); sec. 201, 88 Stat. 1242, as amended (42 U.S.C. 5841); 5 U.S.C. 552.

Section 2.101 also issued under secs. 53, 62, 63, 81, 103, 104, 105, 68 Stat. 930, 932, 933, 935, 936, 937, 938, as amended (42 U.S.C. 2073, 2092, 2093, 2111, 2133, 2134, 2135); sec. 102, Pub. L. 91–190, 83 Stat. 853, as amended (42 U.S.C. 4332); sec. 301, 88 Stat. 1248 (42 U.S.C. 5871). Sections 2.102, 2.103, 2.104, 2.105, 2.721 also issued under secs. 102, 103, 104, 105, 183, 189, 68 Stat. 936, 937, 938, 954, 955, as amended (42 U.S.C. 2132, 2133, 2134, 2135, 2233, 2239). Section 2.105 also issued under Pub. L. 97–415, 96 Stat. 2073 (42 U.S.C. 2239). Sections 2.200–2.206 also issued under secs. 186, 234, 68 Stat. 955, 83 Stat. 444, as amended (42 U.S.C. 2236, 2282); sec. 206, 88 Stat. 1246 (42 U.S.C. 5846). Sections 2.600–2.606 also issued under sec. 102, Pub. L. 91–190, 83 Stat. 853, as amended (42 U.S.C. 4332). Sections 2.700a, 2.719 also issued under 5 U.S.C. 554. Sections 2.754, 2.760, 2770 also issued under 5 U.S.C. 557. Section 2.790 also issued under sec. 103, 68 Stat. 936, as amended (42 U.S.C. 2133) and 5 U.S.C. 552. Sections 2.800 and 2.808 also issued under 5 U.S.C. 553. Section 2.809 also issued under 5 U.S.C. 553 and sec. 29, Pub. L. 85–256, 71 Stat. 579, as amended (42 U.S.C. 2039). Subpart K also issued under sec. 189, 68 Stat. 955 (42 U.S.C. 2239); sec. 134, Pub. L. 97–425, 96 Stat. 2230 (42 U.S.C. 10154). Appendix A also issued under sec. 6, Pub. L. 91–580, 84 Stat. 1437 (42 U.S.C. 2135). Appendix B is also issued under sec. 10, Pub. L. 99–240, 99 Stat. 1842 (42 U.S.C. 2021b et seq.).

2. Add the following policy statement as Appendix B to Part 2:

Appendix B to Part 2—General Statement of Policy and Procedures Concerning Petitions Pursuant to § 2.802 for Disposal of Radioactive Waste Streams Below Regulatory Concern:

I. Introduction and Purpose
II. Standards and Procedures
III. Agreement States
IV. Future Action

I. Introduction and Purpose

The Low-Level Radioactive Waste Policy Amendments Act of 1985 (the Act) (42 U.S.C. 2021b et seq.) was enacted January 15, 1986. Section 10 of the Act addresses disposal of wastes termed "below regulatory concern" that would not need to be subject to regulatory control to assure adequate protection of the public health and safety because of their radioactive content. The goal of this section of the Act is for the Commission to make practical and timely decisions to determine when wastes need not go to a licensed low-level waste disposal site. These decisions will be expressed through rulemaking. Alternative disposal would conserve space in the existing sites while new sites are established and reduce the costs of disposal. Rulemaking petitions may play a role in the national low-level waste strategy outlined by the Act. The Act provides that the Commission establish procedures for acting expeditiously on petitions to exempt specific radioactive waste streams from the Commission's regulations.

The purpose of this statement and accompanying implementation plan is to establish the standards and procedures that will permit the Commission to act upon rulemaking petitions in an expeditious manner as called for in the Act. This policy statement does not require petitioners to present all the information outlined or demonstrate that the decision criteria for expedited handling can be met, if such expedited handling is not wanted. For example, petitions requesting exemption of concentrations of radionuclides that might

result in individual exposures higher than those recommended in the decision criteria may be submitted, but expedited handling cannot be assured.

Finally, this policy statement and accompanying implementation plan are intended to facilities handling of rulemaking petitions for streams from multiple producers and do not apply to individual licensing actions on single producer waste. Individual licensees who seek approval for disposal of their uniques wastes may continue to submit their disposal plans under 10 CFR 20.302(a).

II. Standards and Procedures

The standards and procedures needed to handle petitions expeditiously fall into the following three categories: (1) Information petitioners should file in support of the petitions, (2) standards for assessing the adequacy of the proposals and providing petitioners insight on the decision criteria the Commission intends to use so that all relevant informational issues will be addressed in the petition, and (3) the internal NRC administrative procedures for handling the petitions. These three categories are addressed in the attached staff implementation plan. The staff plan was developed in response to Commission direction to provide detailed guidance on implementing the general approach outlined in this policy statement. Although staff may revise it from time to time as experience is gained in processing petitions, the plan outlines a reasonable basis for accomplishing the approach. Staff is to publish revisions as NUREG documents and notice the availability of the revisions in the **Federal Register.**

As a practical matter, the primary information for justifying and supporting petitions must be supplied by the petitioner if the Commission is to act in an expedited manner. If the petitioner wishes to assure expedited action, the supporting information should be complete enough so that Commission action is primarily limited to independent evaluation and administrative processing.

Decision criteria for judging whether to grant a petition involve the overall impacts of the proposed action, waste properties, and implementation of the proposed exemption. The following criteria address these areas. Petitions which demonstrate that these criteria are met should be suitable for expedited action.

1. Disposal and treatment of the wastes as specified in the petition will result in no significant impact on the quality of the human environment.

2. The maximum expected effective dose equivalent to an individual member of the public does not exceed a few millirem per year for normal operations and anticipated events.

3. The collective doses to the critical population and general population are small.

4. The potential radiological consequences of accidents or equipment malfunction involving the wastes and intrusion into disposal sites after loss of normal institutional controls are not significant.

5. The exemption will result in a significant reduction in societal costs.

6. The waste is compatible with the proposed treatment and disposal options.

7. The exemption is useful on a national scale, i.e., it is likely to be used by a category of licensees or at least a significant portion of a category.

8. The radiological properties of the waste stream have been characterized on a national basis, the variability has been projected, and the range of variation will not invalidate supporting analyses.

9.The waste characterization is based on data on real wastes.

10. The disposed form of the waste has negligible potential for recycle.

11. Licensees can establish effective, licensable, and inspectable programs for the waste prior to transfer to demonstrate compliance.

12. The offsite treatment or disposal medium (e.g., sanitary landfill) does not need to be controlled or monitored for radiation protection purposes.

13. The methods and procedures used to manage the wastes and to assess the impacts are no different from those that would be applied to the corresponding uncontaminated materials.

14. There are no regulatory or legal obstacles to use of the proposed treatment or disposal methods.

III. Agreement States

The Low-Level Radioactive Waste Policy Amendments Act of 1985 establishes a national system for dealing with low-level waste disposal. The system assigns to the States responsiblity for disposal capacity for low-level wastes not exceeding Class C wastes as defined in 10 CFR 61.55. Section 10 of the Act encourages a reduction in volume of such wastes subject to State responsiblitiy for disposal through the option of determining that certain wastes need not go to existing licensed disposal facilities or new sites licensed under 10 CFR Part 61 or equivalent State regulations. If radiological safety can be assured, such disposal would conserve space in the existing sites while new sites are developed, and would serve as an important adjunct to volume reduction efforts in meeting the waste volume allocation limits set forth in the Act. Thus, these rulemakings should aid the States in fulfilling their responsibilities under the Act. Equity also suggests that all waste generators be able to take advantage of below regulatory concern options as part of their waste management strategies. Generators in both Agreeement and non-Agreement States will be competing for space in the existing sites and the concept should be applicable nationwide.

Agreement States will play an important role in ensuring that the system works on a national basis and that it remains equitable. States have been encouraging findings that certain wastes are below regulatory concern and do not have to go to low-level waste sites. The States have been voicing this view for a number of years through forums such as the Conference of Radiation Control Program Directors. Rulemakings granting petitons will be made a matter of compatibility for Agreement States. Consequently, rulemaking will be coordinated with the States.

IV. Future Action

The Commission will conduct a generic rulemaking on waste streams below regulatory concern based on a number of factors. The factors include public comments received on the statement, the number and types of petitons for rulemaking received, and how effective the statement is in enabling timely processing of petitions. A generic rulemaking is warranted to provide a more efficient and effective means of accomplishing the goals reflected in Section 10 of the Act. An advance notice of proposed rulemaking will be published within 90 days. Furthermore, the Commission may periodically review all rulemakings in order to assure that the relevant parameters have not changed significantly and may ask the petitioner to submit updated information to assist in the review. The Commission would also have to confirm that approved exemptions are consistent with any general standards issued by EPA.

Dated at Washington, DC this 25th day of August, 1986.

For the Nuclear Regulatory Commission.

Samuel J. Chilk,

Secretary to the Commission.

Editorial Note: The staff implementation plan will not appear in the Code of Federal Regulation.

Nuclear Regulatory Commission Staff Implementation of Nuclear Regulatory Commission Policy on Radioactive Waste Below Regulatory Concern

I. Introduction

Section 10 of the Low-Level Radioactive Waste Policy Amendments Act of 1985 requires the Nuclear Regulatory Commission (NRC) to develop standards and procedures for expeditious handling of petitions for rulemaking to exempt disposal of radioactive waste determined to be

below regulatory concern. The Act also requires NRC to identify information petitioners should file. The Commission Policy Statement provides general guidance on how to meet the requirements of section 10 of the Act, outlines the overall approach to be followed, and lists decision criteria to be used. Implementation of the general approach and decision criteria of the Commission Policy Statement involves developing more detailed guidance and procedures. In accordance with Commission direction, the NRC staff has developed more detailed guidance and procedures for implementation of the Commission Policy Statement. This staff guidance and procedures cover: (1) Information petitioners should file in support of petitions to enable expedited processing, (2) discussion of the decision criteria, and (3) administrative procedures to be followed.

II. Information to Support Petitions

A. General

1. *10 CFR Part 2 requirements.* The codified information requirements for petitions for rulemaking are outlined in the Commission's regulations in 10 CFR 2.802(c). These regulations require the petitioner to identify the problem and propose solutions, to state the petitioner's grounds for and interest in the action, and to provide supporting information and rationale. As a practical matter, the information demonstrating that the radiological health and safety impacts are so low as to be below regulatory concern must be provided by the petitioner if the Commission is to act in an expedited manner. Petitions for rulemaking should therefore be submitted following the staff's supplemental guidance and procedures to assure expedited action.

2. *Environmental impacts.* Petitions must enable the Commission to make a finding of no significant impact on the quality of the human environment. Such Commission findings must be based on an Environmental Assessment that complies with 10 CFR 51.30 and must meet the requirements of 10 CFR 51.32. These requirements include addressing the need for the proposed action, identifying alternatives, and assessing the potential environmental impacts of the proposed action and alternatives. Consistent with 10 CFR 51.41, the petitioner should submit the information needed to meet these requirements and do so in a manner that permits independent evaluation by the Commission of the data and methodology used and the conclusions reached.

3. *Economic impact on small entities.* When a rulemaking action is likely to have a significant economic impact on a substantial number of small entities, the Regulatory Flexibility Act requires that the impacts on these small entities must be specifically addressed. (The Commission's size standard for identifying a small entity is $3.5 million or less in annual receipts except for private practice physicians and educational institutions where the standard is $1 million or less in annual receipts for private practice physicians and 500 employees for educational institutions. See 50 FR 50214, December 9, 1985.) For any rulemaking, the Commission must either certify that the rule will not economically impact or will have no significant economic impacts on small entities, or present an analysis of alternatives to minimize the impacts. Because rulemakings on below regulatory concern should provide relief from requirements for all affected entities, satisfaction of this requirement should be straightforward but it must be addressed in any rulemaking. To facilitate expeditious preparation of the proposed rule responding to the petition, the petitioner should submit an evaluation of the estimated economic impacts on small entities. The evaluation should include estimates of the costs for small entities in terms of staff time and dollar costs. Any alternatives that could accomplish the objective of the petitioner's proposed rule while minimizing the economic impact on small entities should be presented. The evaluation should include an assessment of the incremental recordkeeping and reporting costs that would be associated with the petitioned rule change.

4. *Computer program.* The computer program (IMPACT–BRC) the Commission intends to use to independently evaluate petitioners' assessments of impacts is based on "De Minimis Waste Impacts Analysis Methodology" (NUREG/CR–3585) published February 1984.[1] Petitioners are encouraged to consult NUREG/CR–3585 in order to better understand the Commission's information needs. The IMPACTS–BRC program will be distributed by the National Energy Software Center on floppy diskettes for use on IBM–PC and compatible computers. The Center's address is 9700 South Cass Avenue, Argonne National Laboratory, Argonne, Illinois 60439. The users guide for IMPACTS–BRC will be published as a draft Volume II of NUREG/CR–3585. Petitioners may evaluate the impacts of the proposed activity using NRC's code, if desired. When alternate calculational methodologies are used, the petitioner should provide all the specific input needed to analyze the waste stream in the petition using IMPACTS–BRC and provide a rationale for all parameter selections. The Commission may clarify or modify the computer code from time to time. Petitioners choosing to use NRC's code should be sure to use the current revision. The National Energy Software Center will provide changes to persons obtaining the program from the Center. Users are encouraged to comment on the code so that their experience can be factored into future revisions.

5. *Scope.* The petitioner should define the geographic area to which the proposed rule should apply and the reasons supporting any area less than national in scope. It might be possible to justify limiting the scope to a low-level waste regional compact or a state but implementation issues such as import or export of wastes outside the compact or state should be addressed in the rationale.

B. Waste Characterization

1. *Radiological properties.* The minimum radiological properties that should be described are the concentration or contamination levels and the half-lives, total quantity, and identities of the radionuclides present. The chemical and physical form of the radionuclides should be addressed. All radionuclides present or potentially present should be specified, including radionuclides identified as trace constituents. The distribution of the radionuclides within the wastes should be noted (e.g., surface or volume distribution). Mass and volume average concentrations should also be presented. For incineration, the radioactive content of the ash and noncombustible fraction should be described. The variability as a function of process variation and variation among licensees should be addressed and bounded.

2. *Other considerations.* An understanding of nonradiological properties of the waste stream is needed to assure that they are consistent with the proposed disposal method and to evaluate the adequacy of the analysis of the radiological impacts. (NRC's deregulation of the radioactive content would not relieve licensees from the applicable rules of other agencies which cover the nonradiological properties.) The petitioner should provide a detailed description of the waste materials, including their origin, chemical

[1] Footnotes at end of article.

composition, physical state, volume, and mass.

The term "stream" only means wastes produced from a common set of circumstances and possessing common characteristics. It does not mean "liquid" although the stream may be in a liquid form (e.g., waste oil). The wastes may be resin beads, laboratory glassware, or any other form. Waste form includes packages or containers used to manage (i.e., store, handle, ship, or dispose) the wastes. The variability and potential changes in the waste form as a function of process variation should be addressed. The variation among licensees should be described and bounded.

Compatibility with requirements associated with the proposed management options should be carefully presented. For example, if the petitioner proposes that the wastes be incinerated, the waste form should be shown to be compatible with the temperatures, flow rates, feed rates, and other operating parameters of typical incinerators that may be used. The petitioner should identify the minimum requirements an incinerator must meet to assure adequate combustion. The form and volume of the ash and other residue from incineration should be described. Similar consideration for disposal at sanitary landfills or hazardous waste sites should be addressed. For example, wastes that include components or properties that would qualify the waste as a "hazardous waste" under EPA rules in 40 CFR Parts 260 through 265 should not be proposed for disposal at a municipal landfill.

The potential for recycle should be presented. Possible treatment, such as shredding, the would reduce the recycle potential should be described. Both the resource value (e.g., salvageable metals) and the functional usefulness (e.g., usable tools) should be addressed. Both short- and long-term potentials for recycle are of significant concern to the Commission.

3. *Totals.* A subsequent rulemaking based upon an accepted petition is generic, and the exemption will likely be used nationwide. Therefore, to the extent possible, the petitioner should estimate the number of NRC and Agreement State licensees that produce the waste, the annual volumes and mass, and the total annual quantities of each radionuclide that would be disposed of. The estimates should include the current situation and the likely variability over the reasonably foreseeable future. If the petition is for a proposed rule that will be limited to less than national scope (e.g., a state or compact region), the totals should be estimated for the petitioned scope. A concentration distribution would be a helpful tool in characterizing the waste stream. For example, the petitioner could indicate that 10% of the wastes fall in the range of 1–10 picocuries per gram, 60% fall in the 10–100 range, and 30% in the 100–1,000 range. Such distribution would permit more realistic assessment of impacts in addition to conservative bounding estimates using maximum values. In any case, the typical quantities produced per generator and an estimate of the geographic distribution of the generators should be described.

4. *Basis.* The basis for the waste stream characterization should be provided. The basis for characterization of the wastes and the total quantities produced should be described. Monitoring, analytical data, and calculations should be specified. Actual measurements or values that can be related to measurements to confirm calculations are important. The description of the bases should include quality assurance aspects. For example, the petitioner should describe the number of samples measured, the representativeness of the samples, and the appropriateness of the instruments used. The statistical confidence in the estimates should be evaluated. If the petitioner conducted any surveys of licensees or relied on surveys by others to help quantify the amount and content of wastes, they should be described. Market information might be useful in characterizing waste generation on a national basis. Designation as a "trace concentration" should be related to specified detection limits, but detection limits themselves are not sufficient reason to dismiss trace concentrations when methods exist to infer concentrations.

For estimates of the radionuclide content of the waste stream, the petitioner may take advantage of licensee experience in classifying wastes for disposal at low-level waste sites. For example, the transuranic radionuclide content of the wastes would likely be below detection limits, but licensees have already established scaling factors for estimating the transuranic content of wastes as part of complying with 10 CFR Part 61 waste classification requirements. Waste generators use generic scaling factors and factors established for their specific wastes through sophisticated analyses. The scaling factors are used to infer the presence and concentrations of many radionuclides based on measurement of only a few nuclides. The classification scheme in 10 CFR Part 61 has been in effect since December 1983. Considerable data and experience should be available to allow characterizing the radiological content and composition of the waste stream being addressed in the petition. The same principles outlined in 10 CFR 61.55(a)(8) may be applied, i.e., values based on direct measurements, indirect methods related to measurements, or material accountability.

5. *As low as is reasonably achievable (ALARA).* The Commission's ALARA requirement in 10 CFR 20.1(c) applies to efforts by licensees to maintain radiation exposures and releases of radioactive materials in effluents to unrestricted areas as low is reasonably achievable. 10 CFR Part 50, Appendix I, describes ALARA for radioactive materials in light water reactor effluents. Licensee compliance with 10 CFR 20.1(c) is a precondition to acceptance by NRC of any waste stream as exempt. Therefore, a description should be provided of reasonable procedures that waste generators would be expected to use to minimize radiation exposures resulting from the disposal of the exempt waste, e.g., removal of surface contamination. These procedures are assumed to apply prior to characterizing the waste to be exempted.

C. Waste Management Options

The management options that the Commission can deal with expeditiously are those described in NUREG/CR-3585. Onsite options include incineration and burial. Offsite options are municipal waste disposal facilities (sanitary landfills), municipal waste incinerators, hazardous disposal facilities, and hazardous waste incinerators. Pretreatment, e.g., shredding of otherwise potentially recyclable materials, is a potential adjunct to either onsite or offsite options. Combinations of these options can also be evaluated. For example, wastes may be incinerated on site and the ash shipped to a sanitary landfill. The favored disposal options should be identified and fully described. The petitioner should evaluate a full range of options. The practicality of the proposed option(s) should be presented. Waste compatibility discussed earlier is one aspect. The national availability and distribution of the option is another. Updates on national regulations and laws pertaining to the proposed option should be described and might have to be considered in selecting acceptable options.

D. Analyses

To support and justify the submittal, each petitioner should include analyses of the radiological impacts associated

with handling, transport, and disposal of the specific wastes. Any incremental nonradiological impacts should be assessed. Also the petitioner should use the analyses to prepare and submit a detailed regulatory analysis with the petition.

1. *Radiological impacts.* The evaluation of radiological impacts should distinguish between expected and potential exposures and events. Impacts should be assessed for the expected concentrations and quantities of radionuclides. The petitioner should quantitatively evaluate the impacts from the proposed waste for each option requested. The petitioner should clearly relate the analytical findings to specific provisions in the recommended rule changes. For example, the basis for each recommended radionuclide limit should be clearly explained.

The radiological impacts included in NUREG/CR-3585 and in NRC's computer program (IMPACTS-BRC) cover exposures to workers and individual members of the public and cumulative population exposures. The program calculates both external direct gamma exposures and exposures from ingested or inhaled radionuclides. NRC's computer program can be used to calculate the expected radiological impacts from generator activities, transportation, treatment, disposal operations, and post-disposal inputs. The program can analyze a wide range of management options including onsite treatment and disposal by the generator, shipment to municipal waste management facilities, and shipment to hazardous waste management facilities. The program covers impacts beginning with initial handling and treatment by the generator through final disposal of all the radionuclides contained in the waste stream. Sequential treatment, sorting, and incineration onsite and at municipal and hazardous facilities can be assessed. Disposal of resulting ash and residue is included. Post-disposal impacts that can be calculated include releases due to intrusion, ground-water migration, erosion, and leachate accumulation. The program thus addresses both expected and potential post-disposal impacts.

The petitioner's analysis of transport impacts should be based on a reasonably expected spacial distribution of licensees and waste treatment and disposal facilities which will accept the wastes. The petitioner should address parameters such as average and extreme transport distances. The petitioner's analysis should address the basis for parameter selection and characterize the expected patterns (e.g., indicate how likely the extreme case may be). In addition, the petitioner's analysis should also address potential exposures from handling and transport accidents. The petitioner's analysis of accidents should include all assumptions, data, and results to facilitate review. The potential for shipment of the entire waste stream to one or a few facilities should be assessed. This scenario currently exists for 10 CFR 20.306 exempted liquid scintillation wastes and might result from very limited numbers of treatment facilities or decontamination services. The analysis of impacts for transport, handling, and disposal should include evaluation of this potential circumstance unless it can be clearly ruled out.

As suggested in Paragraph 89 on page 20 of ICRP Publication 46 [2]:

> Exception from regulation and requirements on these bases should not be used to make it possible to dispose of large quantities of radioactive material in diluted form, or in divided portions, causing widespread pollution which would eventually build up high dose levels by the addition of many small doses to individuals. Nor should they be used to exempt activities that, by isolation or treatment, have been made temporarily harmless but that imply large potential for release and could give rise to high individual doses or high collective doses.

The analysis of expected radiological impacts should clearly address:

—The maximum individual exposures.
—The critical group exposures
—The cumulative population exposures.

The maximum individual exposure evaluation should include exposures to all members of the public who may be exposed beginning with the initial handling at the generator's facility through post-closure. Both internal uptake and external exposures should be included. The individual may be a member of the general population (e.g., consumer of contaminated ground water) or a person receiving the exposure from his or her occupation. Anyone who may be exposed and is not a radiation worker should be considered a member of the public. For example, a worker at a sanitary landfill or a commercial trash truck driver would not be a radiation worker. However, occupational exposures to radiation workers should be evaluated and considered in the cost/benefit analysis of the incremental impacts between disposal at a licensed facility and the requested disposal options.

The total population exposures can be estimated and summed in two parts. One part is the smaller critical group (usually the occupationally exposed population) where potential exposures may be higher on an individual basis but the exposures and the number of exposed individuals are more predictable and the exposures are short-term. The critical group should be the segment of the population most highly exposed exclusive of radiation workers. The other part is the general population where the expected exposures and size of the exposed population are less predictable, potential individual exposyres are probably much smaller, and exposures may extend over longer timeframes. Presentation of the population exposures in these two parts should contribute to a more meaningful cost/benefit analysis.

2. *Other impacts.* The NRC action to exempt the radiological content of the wastes would not relieve persons handling, processing, or disposing of the wastes from requirements applicable to the nonradiological properties. The petition should demonstrate that the nonradiological properties of the radioactive waste are the same as the nonradioactive materials normally handled and disposed of by the proposed methods. If the nonradiological properties are similar and the volumes of exempted waste would not impact the normal operations, there should be no incremental impacts. If the petitioner is aware of other impacts which should be considered for the specific wastes in the petition, the petitioner should also address the additional impacts.

3. *Regulatory analysis.* In order to expedite subsequent rulemaking if the petition is granted, the analysis should also address the topics NRC must address in a Regulatory Analysis (e.g., see NUREG/BR-0058, Revision 1, "Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission"). [1] Following the Regulatory Analysis format will structure the analytical findings, present the bases for decisions, and address the environmental assessment requirements. The topics are:

(1) *A statement of the problem.* This topic is the need for determining which wastes may be safely disposed of by means other than shipment to licensed low-level waste sites.

(2) *Alternatives.* All reasonable alternatives to the proposed action should be described. The no action or status quo alternative should always be included.

(3) *Consequences.* This topic calls for an analysis of the impacts of each alternative described. The factors the petitioner should address include costs and benefits and practical or legal constraints. Cost/benefit considerations

and constraints are discussed more fully after this listing of topics.

(4) *Decision rationale.* This topic is a conclusions statement that explains why the preferred alternative(s) should be adopted.

(5) *Implementation.* This topic covers the steps and schedules for actual implementation of the proposed rule. The petitioner should address the topic from the waste generator's perspective and include surveys discussed under Topic III.A.5. Recordkeeping and Reporting.

A cost/benefit discussion is an essential part of both environmental and regulatory impact considerations and is, therefore, essential to expedited handling. The discussion should focus on expected exposures and realistic concentrations or quantities of radionuclides. The cost/benefit discussion should include the differential exposure and economic costs between disposal at a licensed low-level waste disposal site and the proposed option(s). It may also include qualitative benefits. Reduced hazards from not storing hazardous or combustible materials might be a benefit. Elimination or reduction of the hazardous properties (e.g., by incineration) could be another. Detrimental costs might also be qualitative such as loss of space in municipal or hazardous waste sites. The economic impact on the licensed site operations (i.e., loss of income from diverted wastes) and its potential effect on the availability of economic and safe disposal should be addressed. Costs of surveys and verifying compliance discussed under Topic II.E. Recordkeeping and Reporting should also be covered. The cost/benefit should also reflect ALARA considerations. Radiation worker exposure, public exposure, and environmental releases might be appropriate in ALARA considerations. In weighing the exposure costs and economic costs for light-water-cooled nuclear reactor wastes, the petitioner could use, for perspective, the $1,000 per person-rem guideline in 10 CFR Part 50, Appendix I, for effluent releases from these facilities.

The petitioner should identify any legal or regulatory constraints that might impact implementation of the petitioned change. The compatibility of the waste with the proposed method of disposal was discussed under Topic II.B.2. Other constraints might stem from Department of Transportation (DOT) labeling, placarding, and manifesting requirements for radioactive materials. Since the receiving facility will not be licensed to receive radioactive materials, this could be an impediment to implementation. For most radioactive materials, the general DOT threshold limits of 0.002 microcuries per gram apply. However, the DOT issued a final rule on June 6, 1985 (50 FR 23811) that amended 49 CFR Part 173 to exempt low specific activity wastes as described in NRC's rules in 10 CFR 20.306. (Note that DOT emphasized that the wastes remain subject to the provisions related to other hazards; see 49 CFR 173.425(d).)

E. Recordkeeping and Reporting.

1. *Surveys.* Existing regulations in § 10 CFR 20.201 establish general NRC requirements for performing surveys as necessary to comply with Part 20. Licensees would have to conduct surveys of the waste properties prior to release for exempt disposal to verify that the waste meets the prescribed limits. Such survey programs might consist of (1) fairly comprehensive initial sampling and analysis to confirm that the licensee's wastes will fall below the limits, (2) periodic analysis as part of a process or quality control program to confirm the initial findings, and (3) a routine survey program prior to release of wastes to monitor for gross irregularities. To show that licensees can be expected to conduct compliance surveys prior to waste transfer, the petitioner should describe a sample survey program. The three components just discussed should be included, if appropriate, for the waste stream. Records of the surveys would be maintained for inspection.

2. *Reports.* The petitioner should assume that annual reports on disposals will be required and that associated recordkeeping to generate the reports will be imposed. Minimum information in the annual reports initially might include the type of waste, its volume, its estimated curie content, and the place and manner of disposal. Increased recordkeeping and reporting requirements would address uncertainties in projecting future volumes or amounts of wastes and NRC's responsibility to consider the cumulative impacts of multiple exemptions. When these requirements are proposed, Office of Management and Budget (OMB) approval is required. To facilitate NRC filing for OMB approval, the petitioner should include any duplicating or overlapping reporting requirements, the number and type of expected respondents, suggestions for minimizing the burden, estimates of the staff hours and costs to prepare the reports and keep the records, and a brief description of the basis for the estimates. The petitioner should also address whether changes in technical specifications or licenses may be needed.

F. Proposed Rule

The petition should include the text for the proposed rule (see 10 CFR 2.802(c)(1)). The proposed text should cover at least the following:

(1) The quantity and/or concentration limit for each radionuclide present (trace radionuclides could be lumped together with a total limit);

(2) A method to deal with radionuclide mixtures;

(3) The nonradiological specifications necessary to adequately define the waste; and

(4) The specific method(s) of exempt disposal.

If practicable, and if the supporting information indicates the need, the text should also address other features such as annual limits on each generator in terms of volume, mass, or total radioactivity, and administrative or procedural requirements including process controls, surveys, etc., that have been discussed. The text should not include the various dose limits used to justify the proposed radionuclide limits.

III. Decision Criteria

The Commission policy statement establishes that the following criteria should be used by staff as guidelines for acting on a petition. Each criterion is repeated and staff views on implementation are discussed.

1. Disposal and treatment of the wastes as specified in the petition will result in no significant impact on the quality of the human environment.

Discussion: Unless this finding can be made during information submitted by the petitioner, the Commission must prepare an Environmental Impact Statement to more fully examine the proposed action, alternatives to the proposed action, and associated potential impacts of alternatives. Preparation would likely involve contractual support and would likely take 2 years or more to complete. The Commission could not act in the petition in an expedited manner.

2. The maximum expected effective dose equivalent to an individual member of the public does not exceed a few millirem per year for normal operations and anticipated events.

Discussion: The effective dose equivalent means the ICRP Publication 26 and 30 [3] sum of the dose from

external exposure and the dose incurred from that year's intake of radionuclides. While a range of 1–10 millirem per year might be acceptable, a one millirem dose would facilitate expedited processing. Higher doses may require more extensive justification. Based on a mortality risk coefficient for induced cancer and hereditary effects of $2x10^{-4}$ per rem (ICRP Publication 26), radiation exposure at a level of millirem per year would result in an annual mortality risk of $2x10^{-7}$ (i.e., $2x^{-4}$ effects/remx^{-3} rem/year).

The EPA is developing criteria for identifying low-level radioactive waste that may be below regulatory concern as part of that agency's development of general environmental standards for low-level waste disposal. The EPA published an Advance Notice of Proposed Rulemaking on August 31, 1983 (48 FR 39563) and currently hopes to publish proposed standards in early 1987. Other EPA standards that the doses can be compared to are the Clean Air Act radioactive release standard of 25 millirems per year in 40 CFR Part 61 and the uranium fuel cycle annual whole body limit of 25 millirems in 40 CFR 190.

One millirem is very small when compared to naturally occurring background doses from cosmic and terrestrial sources. Background doses in the United States are typically in the 100–120 millirems per year range exclusive of the lung doses from radon. One millirem is also small when compared to the annual 500 millirem dose limit for individual members of the general public in Federal Radiation Council guidance.

An important feature is that doses of up to 1 millirem from the individual petition should minimize concerns over exposure to multiple exempted waste streams. ICRP Publication 46 addressed individual dose limits and other issues related to exemptions and stated, in paragraphs 83 and 84 on page 19:

> Many radiation exposures routinely encountered in radiation protection, particularly those received by members of the public, are very small by comparison with dose limits or natural background, and are well below dose levels at which the appearance of deleterious health effects has been demonstrated. In individual-related assessments, it is widely recognized that there are radiation doses that are so small that they involve risks that would be regarded as negligable by the exposed individuals. Studies of comparative risks experienced by the population in various activities appear to indicate that an annual probability of death of the order of 10^{-6} per year or less is not taken into account by individuals in their decisions as to actions that could influence their risks. Using rounded dose response factors for induced health effects, this level of risk corresponds to an annual dose of the order of 0.1 mSv [10 millirem].
>
> However, in most practical cases, the need for exemption rules arises in source-related assessment, to decide whether a source or waste stream should be subject to control. Consideration should be given to the need for any optimization of radiation protection and to the possibility that many practices and sources of the same kind could combine now or in the future so that their total effect may be significant, even though each source causes an annual individual dose equivalent below 0.1 mSv [10 millirem] to individuals in the critical group. This may involve assessments of dose commitments and of the collective dose per unit practice or source, in order to ensure that the individual dose requirement will not be exceeded now or in the future. It seems almost certain that the total annual dose to a single individual from exempted sources will be less than ten times the contribution from the exempted source giving the highest individual dose. This aspect could, therefore, be allowed for by reducing the annual individual dose exemption criterion from 0.1 to 0.01 mSv [10 to 1 millirem].

The NRC staff recognizes that at times, human reactions are not so strictly governed by quantative considerations as the ICRP excerpt suggests. Nevertheless, the 10^{-6} per year value seems about as low as practicable, seems too low to justify significant concern, and so seems acceptable.

The United Kingdom's National Radiological Protection Board has issued generic guidance on de minimis dose levels [ASP–7, January 1985) [4] that has status similar to Federal Radiation Guidance issued by the President in this country. The Board identified effective dose equivalents of 5 millirem per year as insignificant when members of the public make their decisions. The 5 millirem limit represents the total dose contribution from all exempted practices. For individual practices, the Board divided by 10 (i.e., 0.5 millirem per year) to account for exposures from multiple practices. These limits are applied generically. Less conservatism under the well defined circumstances associated with specific waste streams and disposal options envisaged in this NRC statement seems justified. In a proposed policy statement dated May 6, 1985,[5] the Canadian Atomic Energy Control Board specifically addressed disposal of specific wastes that are of no regulatory concern. An individual does limit of 5 millirems per year was proposd for this limited application.

A maximum individual exposure of 1 millirem per year is also consistent with Appendix I to 10 CFR Part 50. Appendix I specifies design objective doses for operational light-water-cooled nuclear power reactor effluents. These design objectives include annual total body doses of 3 millirems for liquid effluents and 5 millirems for gaseous effluents. If onsite incineration at reactors is petitioned for as a specified disposal option, the petitioner should address how the proposed activity, combined with all other effluents from the sites, would not exceed the design objective doses in Appendix I to 10 CFR Part 50.

3. The collective doses to the critical population and general population are small.

Discussion: An additional advantage when individual doses are no more than 1 millirem per year is that the collective doses are then summations over very small exposures. The collective dose evaluation is primarily for information purposes, cost/benefit considerations, and to confirm the finding of no significant impact on the quality of the human environment. This determination will be made based on information available during the review of each petition in concert with criterion 5. Staff notes that the United Kingdom policy on individual dose limits includes an associated collective dose criterion. (The collective dose criterion must be met in addition to the individual limits). In ICRP Publication 46, a similar criterion is stated.

4. The potential radiological consequences of accidents or equipment malfunction involving the wastes and intrusion into disposal sites after loss of normal institutional controls are not significant.

Discussion: Potential doses from accidents or intrusion should be well within public exposure limits and take into account the probability or possibility of such events. In a statement dated April 26, 1986,[6] the International Commission on Radiological Protection (ICRP) stated that the ICRP's present view is that the principal dose limit for members of the public is 100 millirems in a year. The ICRP further stated that the 500 millirem limit from ICRP Publication 26 could be used as a subsidiary limit provided the lifetime average does not exceed the principal limit. Consequently, potential exposures from accidents or unexpected events would be more easily justified if they are well below 100 millirem per year principal limit.

5. The exemption will result in a significant reduction in societal costs.

Discussion: When the economic and exposure costs associated with the exemption are compared to disposal at a licensed low-level waste site there should be a significant reduction in costs.

6. The waste is compatible with the proposed treatment and disposal options.

Discussion: This criterion relates to the nonradiological properties of the wastes. For example, disposal of radioactive wastes that also qualify as a nonradiological hazardous material should be proposed for disposal methods in accord with EPA regulations (e.g., incineration or disposal at a hazardous waste facility). Also, wastes proposed for incineration should be combustible and wastes proposed for landfills should be appropriate for disposal in typical landfills anywhere in the nation.

7. The exemption is useful on a national scale, i.e., it is likely to be used by a category of licensees or at least a significant portion of a category.

Discussion: Rulemaking is usually not warranted for wastes involving a single licensee, whether a continuing disposal activity or a one-time disposal. Such proposals by individual licensees are normally processed as licensing actions under 10 CFR 20.302(a).

8. The radiological properties of the waste stream have been characterized on a national basis, the variability has been projected, and the range of variation will not invalidate supporting analyses.

Discussion: One of the merits of dealing with specific waste streams is that the actual properties of the waste stream can be relied upon in estimating impacts rather than conservative bounding parameters. The specific pathways that must be considered can be limited to manageable numbers. The expected fate can be credibly limited based on the properties.

9. The waste characterization is based on data on real wastes.

Discussion: Actual data on real waste provide reasonable assurance that the waste characterization is accurate.

10. The disposed form of the waste has negligible potential for recycle.

Discussion: Eliminating the uncertainties associated with recycle is necessary to expeditious handling. Specifying specific wastes and specific methods of disposal narrows the pathways and timeframes to manageable numbers.

11. Licensees can establish effective, licensable, and inspectable programs for the waste prior to transfer to demonstrate compliance.

Discussion: Survey programs and quality control programs will be needed to provide reasonable assurance that actual wastes disposed of under an exemption rule meet the specified parameters. Since disposal would be exempted based on both established and projected waste characteristics, reporting on the wastes actually transferred for below regulatory concern disposal will be important and should be practical.

12. The offsite treatment or disposal medium (e.g., sanitary landfill) does not need to be controlled or monitored for radiation protection purposes.

Discussion: The evaluation of expected exposures should provide the basis for meeting this criterion. However, this is an area where NRC will have a continuing responsibility as multiple petitions are processed. Reporting on actual disposals will help NRC address this responsibility and monitor the adequacy of the limits included in the exempted disposals.

13. The methods and procedures used to manage the wastes and to assess the impacts are no different from those that would be applied to the corresponding uncontaminated materials.

Discussion: Since the receiving facility will not be licensed for radioactive materials, special handling or measures should not be required at the processing or disposal sites because of the radioactive content of the wastes. This criterion also means that realistic assumptions about the disposal methods have been made in estimating exposures.

14. There are no regulatory or legal obstacles to use of the proposed treatment or disposal methods.

Discussion: To have practical use, the disposal option must be available. For example, if all hazardous waste facilities that accept offsite wastes are closed or are not reasonably distributed, the practicality of an exemption to allow disposal at such sites is questionable. Since the receiving facility will not be licensed for radioactive materials, shipments to landfills or hazardous waste facilities should not require identification as radioactive materials.

IV. Administrative Handling

Agency procedures for expeditious handling of petitions for rulemaking were initially published in 1982 in NUREG/BR-0053, "Regulations Handbook."[1] The procedures are contained in Part 11 of the Handbook and were most recently revised in September 1985. Because of resource limitations and other factors, these procedures have not been fully implemented. Petitions for rulemaking submitted in accordance with the Commission's policy statement and this staff implementation plan will be processed in full compliance with these procedures. These procedures coupled with agency policy to complete all rulemaking within 2 years will provide expeditious action on the petitions. In addition, the Handbook notes general scheduling advice that proposed rules to grant petitions should be published in 6–12 months after acceptance and publication for comment. Proposed rules will be forwarded to the Commission on a 6-month schedule to the extent permitted by resource limits, the nature and extent of public comments, and internal Control of Rulemakings procedures. Rulemakings involving power reactors must be reviewed by the Committee on Review of Generic Requirements prior to publication. Proposed rules involving reactors will therefore be forwarded to the Commission on a 7-month schedule to the extent permitted by resources, comments, and approval procedures. In both cases, every effort will be made to publish proposed rules no later than 12 months after noticing for public comment.

Although the procedures in Part 11 of NUREG/BR-0053 include fast track processing, the nature of the anticipated petitions do not fully comply with the decision criteria to follow this alternative.

Some of the key features of the handling procedures include the following steps for complete and fully supported petitions.

1. Petitioners may confer on procedural matters with the staff before filing a petition for rulemaking. Requests to confer on procedural matters should be addressed to: The Director, Division of Rules and Records, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Chief, Rules and Procedures Branch.

2. Petitions should be addressed to: The Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch. In keeping with 10 CFR 2.802(f), petitioners will be promptly informed if the petition meets the threshold requirements for a petition for rulemaking in 10 CFR 2.802(c) and can be processed in accordance with this implementation plan. Ordinarily this determination will be made within 30 days after receipt of the petition.

3. Following this determination, the petition will be noticed in the **Federal Register** for a public comment period of at least 60 days.

4. The petitioner will be provided copies of all comments received, scheduling information, and periodic status reports.

The procedures in NUREG/BR-0053 also include the process for denial and withdrawal of petitions.

Footnotes:

[1] Copies of NUREG/BR-0053, NUREG/BR-0058 and NUREG/CR-3585 may be purchased through the U.S. Government Printing Office by calling (202) 275-2060 or by writing to the U.S. Government Printing Office, P.O. Box 37082, Washington, DC 20013-7082. Copies may also be purchased from the National Technical Information Service, U.S. Department of Commerce, 5185 Port Royal Road, Springfield, VA 22161. Copies are available for inspection and/or copying for a fee in the NRC Public Document Room, 1717 H Street, NW, Washington, DC 20555.

[2] ICRP Publication 46, "Radiation Protection Principles for the Disposal of Solid Radioactive Waste," adopted July 1985.

[3] ICRP Publication 26, "Recommendations of the International Commission on Radiological Protection," adopted January 17, 1977. ICRP Publication 30, "Limits for Intake of Radionuclides by Workers," adopted July 1978.

[4] Copies of the United Kingdom's document are available for inspection as enclosures to SECY-85-147A (relating to 10 CFR Part 20) dated July 25, 1985 in the Commission's Public Document Room, 1717 H Street NW, Washington, DC 20555. The United Kingdom documents are available for sale from: Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH, United Kingdom, as Advice document ASP-7 and a related technical report, "The Significance of Small Doses of Radiation to Members of the Public," NRPB-R175.

[5] Copies of the Canadian document are available for inspection as an enclosure to SECY-85-147A (relating to 10 CFR Part 20) dated July 25, 1985 in the Commission's Public Document Room, 1717 H Street NW, Washington, DC 20555. The Canadian document was issued as Consultative Document C-85, "The Basis for Exempting the Disposal of Certain Radioactive Materials from Licensing" by the Atomic Energy Control Board, P.O. Box 1046, Ottawa, Ontario, Canada, KIP 5S9.

[6] ICRP/85/C-03, "Statement from the 1985 Paris Meeting of the International Commission on Radiological Protect," 1985-04-26.

[FR Doc. 86-19550 Filed 8-28-86; 8:45 am]

BILLING CODE 7590-01-M

FEDERAL RESERVE SYSTEM

12 CFR Part 201

[Regulation A]

Extensions of Credit by Federal Reserve Banks; Change in Discount Rates

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors has amended its Regulation A, "Extensions of Credit by Federal Reserve Banks," for the purpose of reducing discount rates. In the light of prevailing economic and financial circumstances, the action appears consistent with the objective of sustaining orderly growth within a framework of greater price stability.

The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks. The discount rate is the interest rate that is charged depository institutions when they borrow from their district Federal Reserve Banks.

EFFECTIVE DATE: The changes were effective on the dates specified below.

FOR FURTHER INFORMATION CONTACT: William W. Wiles Secretary of the Board (202/452-3257), or Earnestine Hill or Dorothea Thompson, Telecommunications Device for the Deaf (TTD) (202/452-3544), Board of Governors of the Federal Reserve System, Washington, DC, 20551.

SUPPLEMENTARY INFORMATION: Pursuant to the authority of sections 10(b), 13, 14, 19, et al., of the Federal Reserve Act, the Board has amended its Regulation A to incorporate changes in discount rates on Reserve Bank extensions of credit. Further, under the authority of 5 U.S.C. 553(b)(3)(B) and (d)(3), these amendments are being published without prior general notice of proposed rulemaking, public participation, or deferred effective date. The Board has for good cause found that current economic and financial considerations require that these amendments be adopted immediately.

List of Subjects in 12 CFR Part 201

Banks, banking; Credit; Federal Reserve System.

For the reasons outlined above, the Board of Governors amends 12 CFR Part 201 as set forth below:

PART 201—[AMENDED]

1. The authority citation for 12 CFR Part 201 continues to read as follows:

Authority: Secs. 10(a), 10(b), 13, 13a, 14(d) and 19 of the Federal Reserve Act (12 U.S.C. 347a, 347b, 343 et seq., 347c, 348 et seq., 357, 374, 374a, and 461); and sec. 7(b) of the International Banking Act of 1978 (12 U.S.C. 347d).

2. Section 201.51 is revised to read as follows:

§ 201.51 Short-term adjustment credit for depository institutions.

The rates for short-term adjustment credit provided to depository institutions under §201.3(a) of Regulation A are:

Federal reserve bank	Rate	Effective
Boston	5.5	Aug. 21, 1986
New York	5.5	Aug. 21, 1986
Philadelphia	5.5	Aug. 22, 1986
Cleveland	5.5	Aug. 21, 1986
Richmond	5.5	Aug. 21, 1986
Atlanta	5.5	Aug. 21, 1986
Chicago	5.5	Aug. 21, 1986
St. Louis	5.5	Aug. 22, 1986
Minneapolis	5.5	Aug. 21, 1986
Kansas City	5.5	Aug. 21, 1986
Dallas	5.5	Aug. 21, 1986
San Francisco	5.5	Aug. 21, 1986

3. Section 201.52 is revised to read as follows:

§ 201.52 Extended credit for depository institutions.

(a) *Seasonal credit.* The rates for regular seasonal credit extended to depository institutions under §201.3(b)(1) of Regulation A are:

Federal reserve bank	Rate	Effective
Boston	5.5	Aug. 21, 1986
New York	5.5	Aug. 21, 1986
Philadelphia	5.5	Aug. 22, 1986
Cleveland	5.5	Aug. 21, 1986
Richmond	5.5	Aug. 21, 1986
Atlanta	5.5	Aug. 21, 1986
Chicago	5.5	Aug. 21, 1986
St. Louis	5.5	Aug. 22, 1986
Minneapolis	5.5	Aug. 21, 1986
Kansas City	5.5	Aug. 21, 1986
Dallas	5.5	Aug. 21, 1986
San Francisco	5.5	Aug. 21, 1986

(b) *Temporary seasonal credit program.*

At the option of the borrower, interest on credit advanced under the temporary simplified seasonal credit program as revised on February 18, 1986, can be either at the basic discount rate (see §201.51) or at a rate that is one-half percentage point above the basic rate and that will remain fixed during the time the credit is outstanding. The fixed rate for new loans may be changed as the basic discount rate and extended credit rates are changed. In no case should such borrowing, including renewals, be outstanding beyond February 1987.

(c) *Other extended credit.* The rates for other extended credit provided to depository institutions under sustained liquidity pressures or where there are exceptional circumstances or practices involving a particular institution under § 201.3(b)(2) of Regulation A are:

Federal reserve bank	Rate	Effective
Boston	5.5	Aug. 21, 1986
New York	5.5	Aug. 21, 1986
Philadelphia	5.5	Aug. 22, 1986
Cleveland	5.5	Aug. 21, 1986
Richmond	5.5	Aug. 21, 1986
Atlanta	5.5	Aug. 21, 1986
Chicago	5.5	Aug. 21, 1986
St. Louis	5.5	Aug. 22, 1986
Minneapolis	5.5	Aug. 21, 1986

Federal reserve bank	Rate	Effective
Kansas City	5.5	Aug. 21, 1986
Dallas	5.5	Aug. 21, 1986
San Francisco	5.5	Aug. 21, 1986

These rates apply for the first 60 days of borrowing. A one percentage point surcharge applies for borrowing during the next 90 days, and a two percentage point surcharge applies for borrowing thereafter. Where credit provided to a particular depository institution is anticipated to be outstanding for an unusually prolonged period and in relatively large amounts, the time period in which each rate under the structure is applied may be shortened, and the rate may be established on a more flexible basis, taking into account rates on market sources of funds.

By order of the Board of Governors of the Federal Reserve System, August 25, 1986.

James McAfee,

Associate Secretary of the Board.

[FR Doc. 86-19414 Filed 8-28-86; 8:45 am]

BILLING CODE 6210-01-M

FEDERAL HOME LOAN BANK BOARD

12 CFR Parts 545 and 563

Loan Recordkeeping Requirements

AGENCY: Federal Home Loan Bank Board.

ACTION: Final rule.

SUMMARY: The Federal Home Loan Bank ("Board"), as the operating head of the Federal Savings and Loan Insurance Corporation ("FSLIC"), is adopting final amendments expanding and clarifying its regulation concerning basic loan records that institutions chartered by the Board or the accounts of which are insured by the FSLIC ("insured institutions") and their service corporations (collectively "lenders") are required to maintain. The Board by separate action is withdrawing the portions of its proposed rule reinstituting requirements for nationwide lending and for the joint origination of, or purchase of interests in, participation loans.

EFFECTIVE DATE: October 28, 1986.

FOR FURTHER INFORMATION CONTACT: John Downing, Attorney, Office of Enforcement, (202) 653-2604, or C. Dawn Causey, Attorney, Regulations and Legislation Division, Office of General Counsel, (202) 377-6472, Federal Home Loan Bank Board, 1700 G Street NW, Washington, DC 20552.

SUPPLEMENTARY INFORMATION:

A. Description of the Proposal and Summary of the Comments

On May 9, 1986, the Board proposed to reinstitute requirements for nationwide lending and loan participations and to expand existing loan recordkeeping requirements. Board Res. No. 86-471, previously adopted as Board Res. No. 86-429 on April 24, 1986, 51 FR 17634 (May 14, 1986). By separate action the Board is withdrawing the portions of the proposal dealing with nationwide lending and loan participations. The loan recordkeeping portion of the proposal would have expanded and clarified the Board's existing minimum recordkeeping requirements for loans, loan purchases and participations, and timeshare loans in accordance with the existing requirement that records be accurate and complete. The Board today is adopting the loan recordkeeping portion of the proposal with the modifications described below.

The Board received 104 comments regarding the proposed loan recordkeeping requirements. The majority (66) were submitted by insured institutions. Of the remaining comments, the Board received 13 comments from Members of Congress, 7 from trade associations representing insured institution members and timeshare resort developer members, 5 from law firms representing insured institution and borrower clients, 5 from mortgage banking firms, 5 from subsidiaries of insured institutions, and 1 each from the U.S. Department of Housing and Urban Development, the U.S. Department of Justice, Antitrust Division, and a savings and loan holding company.

Thirty-seven comments expressed support for the recordkeeping requirements. Thirty-eight comments supported the recordkeeping portion of the proposal with certain suggested modifications. Twenty-one comments opposed the recordkeeping proposal. Eight comments expressed neither support for nor opposition to the recordkeeping requirements but, rather, suggested modifications.

B. Discussion of the Comments

1. General Scope and Requirements

The main purpose of the proposal clarifying and expanding the existing recordkeeping provisions of § 563.17-1(c) was not to introduce a series of new underwriting concepts but, as many commenters recognized, to set forth in greater detail existing prudent lending requirements as required by the Board and the courts. The final rule is not intended to be an exhaustive listing of the necessary records for each and every loan transaction, but merely establishes minimum recordkeeping requirements. Lenders may need to obtain additional records, depending on all the circumstances of the transaction, in order to prudently underwrite the loan.

Several commenters requested that the Board issue general guidelines to the industry, rather than adopt an expanded rule, in order to provide lenders with greater flexibility. The Board believes that the recordkeeping amendments as hereby adopted do not unduly restrict lending activities. Many commenters observed that the requirements were the minimum necessary for prudent underwriting and are already in general use. By issuing these regulations the Board emphasizes the importance of the recordkeeping requirements, both for purposes of its examination and supervision of insured institutions and as an aid to proper underwriting. However, the Board, as discussed hereafter, has adopted the industry circular approach for the development of requirements for timeshare lending.

The proposed regulation, among other things required that the financial statements a lender must obtain be current and that the lender retain copies of the note given by the borrower or its agent or by any third party who purchases collateral from the borrower. Commenters objected to the requirement of "current" financial statements because it appeared to impose a continuing burden on lenders to update financial records. Commenters also objected that the requirement for a third party transferee of collateral to execute a note is unnecessary for proper underwriting if the original borrower remains liable on its note and is mischievous in that such a practice might in some jurisdictions extinguish the lender's prior lien against the original borrower.

The Board did not intend to impose a continuing requirement to maintain a current financial statement. However, at a minimum a borrower's financial statement must be current at the time the lender decides whether to make the loan. Therefore, the Board has modified the rule to provide that such statements must be current at the time of the loan application. Of course, if an existing borrower seeks to obtain a new loan or to refinance an existing loan, then the lender would be expected to obtain a new financial statement. Lenders should also be aware of the instruction contained in R Series Memorandum No. 63, issued by the Board's Office of Examinations and Supervision ("OES"), that an institution making commercial loans should obtain interim financial

statements from the borrower. In addition, the Board agrees that it may not always be necessary to obtain a note from a purchaser of collateral if the original borrower remains liable for the indebtedness the collateral secures. The provision is therefore modified to require retention of the purchaser's note if the lender releases the original borrower from the indebtedness.

2. Requirements with Respect to Loans Made on the Security of Real Estate

Several commenters expressed concern with the Board's proposal to explicity set forth its existing requirement that appraisals must be "prepared at the request of the lender and for its use." One commenter observed that the proposal would make appraisers subject to an increased risk of suit, while several others observed that under the proposed language wholesale mortgage brokers would be unable to continue their present practice of using retail lenders to obtain appraisals for them. A few commenters contend that the appraisal requirement should not apply to property improvement loans insured by the Federal Housing Administration ("FHA") for which that agency does not require an appraisal. Several commenters expressed concern that the proposed regulation does not incorporate the Board's view, stated in the preamble, that a loan may be approved prior to the receipt of an appraisal if the approval is conditioned on the receipt of a satisfactory appraisal before funds are disbursed.

The Board believes that the regulation only serves the beneficial purpose of clarifying what should be the existing relationship between appraisers and lenders, and should not lead to increased risk of suit against appraisers. The Board therefore has made no change with regard to this part of the regulations. With respect to the application of the regulation to wholesale mortage brokers, the Board is revising the regulation to allow a lender to request the appraisal through an agent. Moreover, because property improvement loans, as that term is used in 24 CFR 200.167, are based on the character of the borrower, the Board is revising its rule to except such loans from the appraisal requirement when the loans are insured by the FHA. Lastly, the Board is incorporating in the final regulation its previously expressed view that it is acceptable to grant a loan without a prior appraisal if the approval is conditioned upon receiving a satisfactory appraisal, which meets the standards of R Series Memorandum No. 41b issued by OES, before funds are disbursed.

Numerous commenters argued that the proposed requirement that lenders retain documentation of the "ultimate" recipient of each loan disbursement is vague and unworkable. Many questioned how the rule would apply to a draw on a construction loan that is taken by the borrower and immediately paid to a subcontractor, an entity of which the lender may have no direct knowledge. The Board believes clarification is in order. This provision is not designed to trace the flow of funds beyond the borrower or other persons who legitimately receive a portion of the loan proceeds, such as for services rendered or in satisfaction of a prior debt. Rather, it is intended to prevent evasion of laws and regulations such as the loans-to-one-borrower and conflict-of-interest regulations by concealment of the borrower's identity. To serve this purpose and to clarify its intent, the Board is amending the requirement to allow the records to indicate to the best of the lender's knowledge any actual recipient when the stated recipient of loan proceeds is acting as an agent or intermediary.

A substantial number of commenters opposed the proposed requirements that the lender certify (1) that the funds in the loan-in-process account are adequate to complete the real estate development or construction project for which the loan was obtained; (2) that each draw on a loan-in-process account is authorized; (3) that the project is proceeding according to a pre-approved timetable; and (4) that the funds disbursed have been used for the purpose requested. The objections include the argument that it is unreasonable to require the lender to certify that the use of funds is proper because often the lender must rely on the borrower for this information; that the required certifications will delay the making of loan disbursements to the competitive detriment of the lender because borrowers will seek lenders not subject to such requirements; that the certifications appear to create liability on the part of the lender if the facts certified turn out to be incorrect and loss results; and that creation of a pre-approved timetable for construction and loan disbursement is impractical because completion of construction projects depends on the vagaries of the construction process, including labor, weather, and the availability of materials.

The Board is persuaded that lenders not be required to certify facts of which they have no independent knowledge, and that the device of a pre-approved timetable is, though desirable, often not practical. However, as an alternative to the proposed certifications, the Board has revised its final rule to require that a lender funding a construction or development loan maintain a lender's inspection report or borrower's voucher demonstrating that the work for which disbursement of funds is sought has been completed. While the lender will be able to rely on the borrower or its own inspection, it will not be permitted to ignore the actual progress or lack thereof on the project.

Although the proposed certifications are withdrawn, the Board wishes to warn lenders that making disbursements when the funds remaining in the loan-in-process account are inadequate to complete construction or development of the project may amount to an unsafe or unsound practice and that any such disbursements will be examined closely.

One commenter pointed out that the proposed requirement that a copy of the deed of trust or mortgage instrument be retained is limited to real estate loans made for the purpose of acquiring the security property. That commenter argued that the requirement for obtaining a mortgage is vital to the underwriting of any loan secured by real estate, and suggested that the documentation requirement be expanded to apply to any such loan. The Board agrees and has revised the regulation accordingly.

3. Requirements with Respect to Loans Not Made on the Security of Real Estate

The Board proposed to require that when a loan not secured by real estate is made to a business entity, documentation demonstrating whether the obligor is able to generate sufficient cash flow to meet the scheduled interest and debt reduction payments be retained by the lender. The same requirement would apply to loan purchases or participations and to loans secured by timeshare accounts receivable. Several commenters asserted that such cash flow documentation should not be required because other collateral can, consistent with proper undewriting, support a loan even if the borrower's cash flow is inadequate.

The Board agrees with the observation that a loan may be properly underwritten even if cash flow is inadequate in some cases, such as when the loan collateral is sufficient to assure that the lender will not suffer a loss if payments on the loan cease. However, because the proposal does not prohibit making loans when cash flow is deemed

inadequate, there is no conflict between the proposal and the commenters' position. Of course, when cash flow is inadequate, any prudent lender must carefully assess the risks involved in granting such a loan, and should have before it the best information available concerning the inadequacy and any additional collateral provided. For this reason the cash flow documentation requirement is modified to include documentation of the proposed source of the borrower's repayment if the lender does not deem flow adequate to meet scheduled payments.

4. Records with Respect to Loan Purchases and Participations

The Board proposed to require that a lender with respect to each loan that it purchases (in whole or in part) retain certain records relevant to whether the loan is a safe and sound investment, including the originator's written certification that the loan complies with all applicable state and federal laws and a copy of the originator's underwritng standards. Several comments urging modification or deletion of these provisions were received. A few commenters stated that it is impracticable to provide a set of records for each loan to each purchaser when numerous purchasers obtain a participation interest in hundreds or thousands of mortgages, such as in a mortgage-backed security offering. Many commenters contended that the proposed written certification is too broad and would be difficult or impossible to obtain. Several asserted that, because a loan purchaser must make its own underwriting decision, there is no need for it to obtain the originator's underwriting standards. Others argued that, because the purchaser may not be buying from the originator of the loan and may not have any contact with it, the regulation should be revised to provide that the loan purchaser may obtain needed documents from the loan seller even if it is not the originator.

The Board wishes to point out that the proposed recordkeeping regulation would not apply to participation interests in a mortgage pool. The board has a separate regulation in effect, 12 CFR 571.13, which provides that when an insured institution purchases an interest in a mortgage pool it need not comply with the documentation requirements of 12 CFR 563.17–1. This exception thus exempts institutions purchasing mortgage-backed securities from the requirements of the expanded recordkeeping regulation.

The Board acknowledges that the written certification of compliance with all federal and state laws may be overbroad and even difficult to obtain in some cases. The Board's primary interest in proposing the certification requirement was to allow the purchasing lender to determine whether the obligor is legally bound to repay the loan. The purpose may be accomplished through the other documents that the purchasing lender must obtain (particularly the obligor's note, the mortgage instrument or financing statement, and title documentation). Thus the Board has determined not to require the written certification at this time, but it would encourage lenders to try and obtain a compliance certification that meets such lenders' needs whenever possible.

The Board agrees that each purchaser or participant must make its own underwriting decision, but it continues to believe that reviewing a copy of the originator's underwriting standards should be a part of that decision. A lender may wish to consider carefully whether to purchase a loan made by a seller whose standards are substantially different from its own. There may be circumstances in which it is unnecessary for a purchaser to study the underwriting standards of a seller in depth each time it purchases a loan. For example, purchaser and seller may have a longstanding relationship and the purchaser is satisfied that the seller's underwriting standards are compatible.

The Board also recognizes the difficulty lenders purchasing loans or participation interests may have in obtaining documents, certifications, or agreements concerning a loan from an originator with which they have no direct dealings. The final rule has been revised to allow these documents to be obtained from the seller. Although the originator's underwriting standards must be obtained by the purchaser, the rule would allow the purchaser to obtain them either through the seller or directly from the originator. The rule also clarifies that copies of required documents satisfy the recordkeeping requirements for purchases or participations in most cases.

5. Records of Purchases and Loans Involving Timeshare Accounts Receivable

The Board proposed to apply the recordkeeping provisions to timeshare accounts receivable to the extent appropriate and to require such additional documents as are necessary to make the records accurate and complete as this requirement of 12 CFR 563.17–1(c) is interpreted by OES.

The Board expressly requested comments concerning the types of documentation which should be required for loans secured by timeshare accounts. Several commenters responded, favoring the development of specific timeshare recordkeeping requirements. One commenter questioned whether the issuance of interpretations by OES is in compliance with the requirements of the Administrative Procedure Act ("APA"), 5 U.S.C. 553, because the APA requires a notice and comment procedure for rulemaking. However, the APA does not require a notice and comment procedure for the adoption of interpretive rules. *Id.* Inasmuch as the Board is delegating to OES the authority to issue interpretations, and OES would be interpreting a requirement of a rule the Board administers (that records be accurate and complete), the notice and comment procedures would not be required.

In addition, the Board has made a technical revision to the regulation to reflect the organizational realignment by which a new Office of Regulatory Policy, Oversight, and Supervision ("ORPOS") has been formed, effective September 27, 1986, generally to succeed to the duties of OES.

6. Effective Date

The Board proposed to apply the amended recordkeeping provisions only to loans originated or purchased, to participation interests issued or purchased, and to such loans or interests for which legally binding commitments are entered into on or after the effective date, which was to have been no earlier than the date final amendments were published in the **Federal Register.** The Board specifically requested comment on what the effective date should be.

A few commenters requested that the effective date be postponed for two to six months after publication so they could incorporate the requirements new to their own recordkeeping systems. Many other commenters, however, observed that the standards proposed are what any prudent lender should be using, suggesting that revisions of most lenders' recordkeeping systems would not be substantial.[1] The Board has

[1] For loans secured by real estate the regulation specifically requires maintenance of a borrower's note (paragraph (c)(1)(ii) of § 563.17–1), a copy of a deed of trust or mortgage instrument ((c)(1)(iii)), an inspection report or voucher regarding the use of disbursements on construction or development loans ((c)(1)(viii)), and documentation of any loss incurred on the security property ((c)(1)(xi)). The recordkeeping requirements with respect to loans not secured by real estate ((c)(2)), loan purchases and participations ((c)(3)), and loans secured by timeshare accounts receivable ((c)(4)) are new provisions.

determined to allow some additional time to comply with the final rule by making the final recordkeeping requirements effective 60 days after their publication in the **Federal Register.**

This regulation will be applicable to all loans originated or purchased, to participation interests issued or purchased, or to such loans or interests for which legally binding written commitments to make or purchase loans are entered into after the effective date. All insured institutions are, of course, obligated to adhere to prudent underwriting standards for all assets and to maintain accurate and complete records. While not technically in effect for those transactions predating the effective date, this regulation will, to the extent that it merely codifies existing industry standards, provide a guide for determined what are minimum prudent underwriting standards and accurate and complete records.

c. Description of the Final Rule

As modified, the final rule expands the recordkeeping rule, consistently with the existing requirement that records must be accurate and complete, to expressly apply its minimum requirements to service corporations and to specifically require the lender to retain the borrower's note and a mortgage instrument for all such transactions. The rule also makes clear the Board's intention that appraisals are always to be performed at the lender's request, that financial statements must be current, at a minimum, at the time of the loan application, that a lender's records must show the actual recipient of all loan proceeds to the best of the lender's knowledge, that certain documents shall be retained if the borrower has been released from its indebtedness, and that for development or construction loans inspection reports or vouchers be obtained demonstrating that the work for which disbursement is sought has been completed.

The rule also provides basic documentation requirements for unsecured loans and loans secured by collateral other than real estate, including: retention of the borrower's loan application, note, and financial statement, an affirmation of the quality and validity of the lien, documentation of the release of any portion of any collateral or modification of any security interest, and, if the loan is made to a business entity, documentation of whether cash flow is sufficient to meet scheduled interest and debt reduction payments and, if not, the anticipated source of repayment. With respect to loan purchases or praticipation interests secured by real estate, the final rule requires that copies of the borrower's application, note, and financial statement, a mortgage instrument or similar document, and an appraisal of the security property be retained. Records of a purchase or participation interest not secured by real estate must also include copies of the borrower's loan application, note, and financial statement, any documents evidencing creation of a security interest, and, if made to a business entity, documentation of the borrower's cash flow or anticipated source of repayment. A loan purchaser or participant must retain documentation of the currency of the loan on the date of purchase, any agreement concerning participation or loan servicing, and a copy of the loan originator's underwriting standards. The Board is also requiring lenders making loans secured by timeshare accounts receivable to comply with the applicable provisions of the regulation, and to retain such other documents as are necessary to make their records accurate and complete as that requirement is interpreted by the Board's OES (and successor ORPOS).

Final Regulatory Flexibility Analysis

Pursuant to section 3 of the Regulatory Flexibility Act, 5 U.S.C. 604, the Board is providing the following regulatory flexibility analysis:

1. *Need for and objectives of the rule.* These elements are discussed above in **SUPPLEMENTARY INFORMATION.**

2. *Issues raised by comments and agency assessment and response.* These elements are discussed above in **SUPPLEMENTARY INFORMATION.**

3. *Significant alternatives minimizing small-entity impact and agency response.* The Small Business Administration defines a small financial institution as "a commercial bank or savings and loan association, the assets of which, for the preceding fiscal year, do not exceed $100 million." 13 CFR 121.13(a). Therefore, the small entities to which the final rule applies are the 1,742 insured institutions which had assets totaling $100 million or less as of December 31, 1985. No alternative consistent with the fundamental purposes of the rule would have minimized small-entity impact because recordkeeping and proper underwriting are necessary for all institutions, and the failure to perform these functions adequately may have a substantial negative effect on institutions of any size. The regulation is therefore applicable to all insured institutions, regardless of size, and their service corporations.

List of Subjects in 12 CFR Parts 545 and 563

Accounting, Bank deposit insurance, Consumer protection, Credit, Electronic funds transfer, Investments, Manufactured homes, Mortgages, Reporting and recordkeeping requirements, Savings and loan associations.

Accordingly, the Federal Home Loan Bank Board hereby amends Part 545, Subchapter C, and Part 563, Subchapter D, Chapter V, Title 12, Code of Federal Regulations, as set forth below.

Subchapter C—Federal Savings and Loan System

PART 545—OPERATIONS

1. The authority citation for Part 545 is revised to read as follows:

Authority: Sec. 4, 80 Stat. 824, as amended (12 U.S.C. 1425a); sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); secs. 402–403, 407, 48 Stat. 1256–1257, 1260, as amended (12 U.S.C. 1725–1726, 1730); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–48 Comp., p. 1071.

§ 545.13 [Amended]

2. Section 545.13(a) is amended by removing the reference to "563.17–1(c)(5)" and inserting in lieu thereof "563.17–1(c)(8)".

3. Part 545 is amended by removing the authority citations from the ends of the applicable sections of the part.

Subchapter D—Federal Savings and Loan Insurance Corporation

PART 563—OPERATIONS

4. The authority citation for Part 563 continues to read as follows:

Authority: Sec. 10, 47 Stat. 725, as amended (12 U.S.C. 1421 *et seq.*); sec. 5A, 47 Stat. 727, as added by sec. 1, 64 Stat. 256, as amended (12 U.S.C. 1425a); sec. 4, 80 Stat. 824, sec. 17, 47 Stat. 736, as amended (12 U.S.C. 1425b and 1437); sec. 2, 48 Stat. 128, as amended (12 U.S.C. 1462); sec. 5, 48 Stat. 132, as amended (12 U.S.C. 1464); sec. 202, 96 Stat. 1489, as amended (12 U.S.C. 1729(f)); secs. 401–407, 48 Stat. 1255–1260, as amended (12 U.S.C. 1724–1730); sec. 408, 82 Stat. 5, as amended (12 U.S.C. 1730a); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–1948 Comp., p. 1071.

5. Section 563.17–1 is amended by revising paragraph (c) to read as follows:

§ 563.17–1 Examinations and audits; appraisals; establishment and maintenance of records.

* * * * *

(c) *Establishment and maintenance of records.* To enable the Corporation to examine insured institutions and affiliates and audit insured institutions,

affiliates, and service corporations pursuant to the provisions of paragraph (a) of this section, each insured institution, affiliate, or service corporation shall establish and maintain such accounting and other records as will provide an accurate and complete record of all business it transacts, and the documents, files, and other material or property comprising said records shall at all times be available for such examination and audit wherever any of said records, documents, files, material, or property may be. Without any limitation on the generality of the foregoing sentence, at a minimum insured institutions and service corporations ("lenders") shall establish and maintain the following records:

(1) *Records with respect to loans secured by real estate.* The records of a lender with respect to each loan that such lender makes on the security of real estate shall include:

(i) An application for the loan, signed by the borrower or its agent, in such form and containing such information as will disclose the purpose for which the loan is sought (for example, construction, purchase, refinancing) and the identity of any security property;

(ii) A note evidencing the borrower's obligation to repay the amount of the loan, executed by the borrower or its agent;

(iii) A copy of the deed of trust or mortgage instrument on said real estate or other document customarily used in the jurisdiction in which such real estate security is located evidencing the creation of a security interest in the real estate for the benefit of the lender, which deed of trust, mortgage instrument, or other document has been signed by the borrower or the borrower's agent; and if the loan is made for the purpose of financing the purchase of the real estate security for the loan, a signed statement by the borrower or its agent, as a part of or as an attachment to the application for the loan, disclosing the purchase price of such real estate security;

(iv) One or more written appraisal reports, prepared at the request of the lender or its agent and for the lender's use, and signed prior to the approval of such application, except in the case of an approval conditioned upon obtaining an appraisal that satisfies the requirements of this paragraph (c)(1)(iv) prior to any loan disbursement, by a person or persons duly appointed and qualified as appraisers by the board of directors of such lender, disclosing the market value of the security offered by the borrower and containing sufficient information and data concerning the appraised property to substantiate the market value of the security described in such reports; or, if such loan is an insured loan or a guaranteed loan, a certification of the valuation assigned to real estate security by the appraiser accepted by the insuring or guaranteeing agency and furnished to the lender by such agency: *Provided however,* That nothing in this paragraph (c)(1)(iv) shall apply to property improvement loans, as that term is used in 24 CFR 200.167, insured by the Federal Housing Administration for which that agency does not require an appraisal or certification of valuation;

(v) A financial statement, which is current at the time that the loan application is made, signed by the borrower disclosing its financial ability to repay the loan, or a written credit report prepared by the lender or by others at the special instance and request of such lender;

(vi) Documentation showing when and by whom such loan was approved and any terms and conditions of such approval;

(vii) Documentation showing the date, amount, purpose, the recipient of every disbursement of the proceeds of such loan, and to the best of the lender's knowledge, any actual recipient of any proceeds when the stated recipient is acting as an agent or intermediary for another;

(viii) For each loan made for the purpose or developing or constructing improvements on real estate, inspection reports prepared by or for the lender or vouchers signed by the borrower or its agent demonstrating that the work for which each disbursement is sought has been completed;

(ix) An opinion signed by the lender's attorney, a title insurance policy, or other documentary evidence customarily used in the jurisdiction in which the real estate security is located, affirming the quality and validity of the lender's lien on the real estate security for the loan: *Provided, however,* That such documentary evidence shall not be required with respect to any loan having Federal Housing Administration mortgage insurance as to which 24 CFR 203.390 and 203.402 are applicable, and any such loan may be considered to be secured by a first lien without new title evidence;

(x) Documentation showing that the lender, upon the closing of the loan, furnished to the borrower a loan settlement statement setting forth in detail the charges or fees such borrower has paid or is obligated to pay to such lender or to any other concern or person in connection with such loan, which documentation shall include a copy of such loan settlement statement;

(xi) A record showing the status and current payment of taxes, assessments, insurance premiums, other charges on the security for the loan, and documenting any loss incurred on the loan security, as well as any amounts recovered pursuant to an insurance settlement of such loss;

(xii) Documentation evidencing any modifications of the original documents by which a security interest for the benefit of the lender was created, showing appropriate approval of each party to such modification; and

(xiii) Documentation evidencing any release of any portion of the collateral pledged to secure the loan, showing the portion of the collateral released, the consideration, if any, paid to effect such release, and a record of the appropriate approval of each such release.

(2) *Records with respect to loans not secured by real estate.* The records of a lender with respect to each unsecured loan or loan not secured by real estate that such lender makes shall include the documents referred to in paragraphs (c)(1) (i), (ii), (v), (vi), and (vii) of this section. If the loan is secured by collateral other than real estate, the lender's records also shall include documents evidencing the creation and perfection of a security interest in the collateral, including any financing statement, as well as the documents referred to in paragraphs (c)(1) (xii) and (xiii). In addition, if the loan is made to a business entity, the lender's records shall include documentation showing whether the obligor on the loan is able to generate sufficient cash flow to meet scheduled interest and debt reduction payments and, if not sufficient, the lender's records shall include documentation demonstrating the anticipated source of the borrower's payments.

(3) *Records with respect to loan purchases or participations.* (i) The records of a lender with respect to each loan that it purchases, in whole or in part, that is secured by real estate shall include copies of the documents referred to in paragraphs (c)(1) (i) through (v), (ix), and (xiii). A single lender purchasing a whole loan secured by real estate must retain documents evidencing the assignment to it of the mortgage or deed of trust.

(ii) The records of the lender with respect to loans it has purchased, in whole or in part, that are unsecured by collateral other than real estate shall include copies of the documents referred to in paragraphs (c)(1) (i), (ii), and (v). If the loan is made to a business entity and is unsecured or secured by collateral other than real estate, copies of documentation of the obligor's cash flow or other anticipated source of the borrower's payments, as described in paragraph (c)(2), must be included. If the loan is secured by collateral other than real estate, the purchasing lender must retain copies of documents required by paragraph (c)(1)(xiii) and those evidencing creation and perfection of a security interest for its benefit in the collateral, including any financing statement, signed by the borrower or its agent.

(iii) In addition to the requirements of paragraphs (c)(3) (i) and (ii) of this section a lender purchasing all or any part of any loan must retain the originator's or the selling lender's statement concerning whether, on the date the loan is purchased, the payments are current and, if not current, the period for which the loan is delinquent; any agreement concerning participation in or servicing of the loan; and a copy of the underwriting standards of the originator. In addition, a purchaser must retain the written agreement of the seller of the loan to provide access, upon request, to all loan documentation in its possession or control to the purchasing lender, the Board, the Corporation, its Principal Supervisory Agent, or the examinations and supervision staff at the Federal Home Loan Banks, as well as the seller's written certification that copies of any documents concerning the loan provided to the loan purchaser are accurate and complete to the best of the seller's knowledge.

(4) *Records with respect to loans secured by timeshare accounts receivable.* In addition to the records required by the applicable provisions of paragraphs (c) (1), (2), and (3) of this section, the records of a lender concerning loan purchases, participations, or originations of loans secured by timeshare accounts receivable, including fee, right-to-use, or membership interests, shall include any additional documents necessary to make those records accurate and complete, as this requirement is interpreted by the Board's Office of Examinations and Supervision of Office of Regulatory Policy, Oversight, and Supervision.

(5) *Records with respect to property purchased subject to a lender's lien or a secured loan assumed by a third party.* When a property on which the lender has a line securing an unpaid loan is sold to a third party and the lender releases the original borrower from such indebtedness, the records of the lender shall contain such documentation and records with respect to such third party and such transaction as are required by paragraphs (c)(1) (ii), (iii), (v), (vi), (xii), and (xiii) of this section.

(6) *Records with respect to loans sold.* The records of a lender with respect to each loan it sells, whether in whole or in part, shall include a signed opinion by such lender's attorney stating whether the terms of the sales agreement governing such sale provide for a sale without recourse.

(7) *Records with respect to the acquisition of mortgaged security.* A lender shall maintain a record which discloses every instance that it commences action to acquire the real estate security for a loan, by foreclosure or otherswise, and the ultimate disposition of such action. Such record shall include identification of the real estate security and loan, shall itemize all fees and charges incurred in such action, shall name the recipient or recipients to whom any such fees and charges were paid, and shall identify the holder of title to such real estate as a result of such action.

(8) *Records with respect to insured accounts.* The records of an insured institution with respect to each withdrawable or repurchasable share, investment certificate, deposit, or savings account it issues shall include the signature of the owner of such account or the duly authoized representative of such owner, together with a record reflecting the balance in such account. Notwithstanding the preceding requirement, no account signature card for a trust executed by its trustee[s] of information disclosing the names of the settlor or trustee[s] of the trust need be maintained in the records of an insured institution.

(9) *Other records.* A lender shall establish and maintain such other records as are rquired by statute or by any other regulation to which the lender is subject.

* * * * *

By the Federal Home Loan Bank Board.

Jeff Sconyers,

Secretary.

[FR Doc. 86-19594 Filed 8-28-86; 8:45 am]

BILLING CODE 6720-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. 86-CE-01-AD; Amdt. 39-5407]

Airworthiness Directives; Cessna R172, FR172, 177, 177RG, F177RG, 185, 188, 205, 206, P206, U206, 207, 210 and P210 Series Airplanes

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts a new Airworthiness Directive (AD), applicable to certain Cessna R172, FR172, 177, 177RG, F177RG, 185, 188, 205, 206, P206, U206, 207, 210 and P210 Series Airplanes, which provides special fuel system preflight check instructions and requires the modification of the airplane fuel system on some airplanes. Loss of engine power has resulted from failure to adequately drain fuel contamination from the fuel reservoirs and wing tanks. This action is designed to preclude engine power loss caused by undrained fuel contamination.

EFFECTIVE DATE: October 4, 1986.

Compliance: As prescribed in the body of the AD.

ADDRESSES: Cessna Single Engine Customer Care Service Information Letters, SE79-45 dated September 10, 1979, and SE84-8 dated March 16, 1984, applicable to this AD, may be obtained from Cessna Aircraft Company, Piston Aircraft Marketing Division, Post Office Box 1521, Wichita, Kansas 67201. A copy of this information is also contained in the Rules Docket, Federal Aviation Administration, Central Region, Office of the Regional Counsel, Attention: Rules Docket No. 86-CE-01-AD, Room 1558, 601 East 12th Street, Kansas City, Missouri 64106.

FOR FURTHER INFORMATION CONTACT: Mr. Paul O. Pendleton, Aerospace Engineer, Aircraft Certification Office, ACE-140W, FAA, 1801 Airport Road, Room 100, Mid-Continent Airport, Wichita, Kansas 67209; Telephone (316) 946-4427.

SUPPLEMENTARY INFORMATION: A proposal to amend Part 39 of the Federal Aviation Regulations to include an AD applicable to Cessna single-engine model airplanes that have fuel reservoirs and integral fuel tanks requiring initial inspection and modification of the airplane fuel system was published in the **Federal Register** on February 6, 1986 (51 FR 4607).

The proposal resulted from reports received on enginer power losses resulting from fuel contamination on

Cessna 100 and 200 Series airplanes equipped with separate fuel reservoirs. These incidents and other service reports indicate that fuel contamination is not being detected by the pilot during normal inspection and/or maintenance of the airplane fuel system installation. Lack of fuel reservoir quick drains and existing fuel system preflight instructions concerning proper draining of fuel reservoirs have contributed to the reported engine power losses.

Cessna has issued Single Engine Customer Care Service Information Letters SE79–45 and SE84–8, making available for in-service airplanes the fuel reservoir and wing tank quick drain provisions that have been installed on production airplanes since 1975. In addition, AD 84–10–01 required fuel reservior and wing tank quick drains, plus installation of a placard on some Cessna airplanes equippped with bladder wing fuel tanks. The placard required by AD 84–10–01 has been determined to overly burdensome in eliminating fuel contamination on those airplanes affected by this AD. Therefore, the FAA proposed to (1) require fuel reservoir and wing tank quick drains be installed on all affected airplanes, and (2) require a checklist in the form of pilot operating procedures on all those airplanes equipped with fuel reservoirs. Since the condition described herein is likely to exist or develop on other airplanes of the same type design, the AD requires visual inspection of the fuel reservoirs and wing tanks on certain Cessna FR172, R172, 177, 177RG, F177RG and 210 Series airplanes for the quick drain fitting and installation of the quick drains on airplanes not presently so equipped as well as require installation of the pilot operating procedures on certain Cessna FR172, R172, 177, F177RG, 185, 188, 205, 206, P206, U206, 207, 210 and P210 Series airplanes.

Interested persons, including registered owners/operators of some 20,000 affected airplanes, were afforded an opportunity to comment on the proposed AD. 48 comments were received, of which 2 were in favor of adopting the amendment as proposed, 12 were opposed, 34 were in favor of adopting the amendment in part, 2 offered neutral comments, and 1 comment proposed complete redesign of the fuel system. The above statistics are general; whereas, the proposed AD has 2 requirements. These are installation of fuel reservoir quick drains and fuel system preflight instructions in the form of a placard. Not all commentors commented on all portions of the proposed AD. The following is a breakdown of comments based on each requirement. Thirty four comments were for installation of fuel reservoir quick drains; whereas, 8 were opposed. Two comments were in favor of the placards; whereas, 40 were opposed. In addition, 15 commentors felt that structural damage to the empennage might occur on some airplanes during performance of the proposed preflight procedures identified on the placard. Twelve commentors believed that the pilot alone could not perform the proposed preflight procedures. Twelve commentors were opposed to including the integral fuel tank equipped airplanes on an AD they believed should apply only to fuel bladder equipped airplanes. Twelve commentors were in favor of adding any necessary fuel system preflight procedures to a Cessna publication in the form of a mandatory checklist. Three commentors suggested compliance be required by the next 100 hour or annual inspection. One commentor that had previously had an accident related to fuel contamination and the National Transportation Safety Board were the only responses in favor of the preflight procedures identified in the form of the proposed placard. Four commentors were in favor of adding the current fuel caps in place of the prior production flush fuel caps.

The proposal to require installation of fuel reservoir and wing tank quick drains was found acceptable by 71 percent of the commentors. Therefore, the FAA adopts this item as proposed.

The proposal to require the installation of an instrument mounted preflight placard was opposed by 83 percent of the commentors. The FAA recognizes the merits of the commentors objections. Therefore, a less burdensome fuel system preflight will be used in the form of a checklist as preferred by 27 percent of the commentors.

25 percent of the commentors were opposed to adding what they perceived as an AD applicable to fuel bladder equipped airplanes to those equipped with integral fuel tanks. The FAA does not agree as the intent of the proposed AD is aimed primarily at airplanes equipped with fuel reservoirs. Cessna manufactures single engine airplanes equipped with fuel reservoirs that have fuel bladders or integral fuel tanks. This AD is intended to provide operating instructions for those airplanes equipped with fuel reservoirs on those fuel bladder equipped airplanes affected by AD 84–10–01 as well as integral tank equipped airplanes that were not included on AD 84–10–01. Therefore, the airplanes to be affected by the AD remains as proposed.

Six percent of the commentors (three) preferred to have the inspection and/or modifications completed at the 100 hour inspection or annual inspection as applicable to lessen the cost associated with AD compliance. The FAA position is that most of the airplanes affected by the AD will accumulate 50 to 100 hours a year; therefore, the FAA concurs that the most practical time limitation is the 100 hour or annual inspection limit originally proposed. The AD is, therefore, adopted with the originally proposed 100 hour compliance time limitation or the annual inspection whichever occurs first.

Two percent of the commentors (one) were in favor of requiring Cessna to redesign the fuel system on integral tank equipped airplanes if these airplanes could be proven to have a fuel contamination problem. The FAA recognizes that the installation of the fuel reservoir(s) and fuel tank quick drains will help maintain continued airworthiness when adequate preflight procedures are followed.

Eight percent of the commentors proposed the current production fuel caps used on light and high performance single engine Cessna airplanes be required. The FAA recognizes the merits of the current umbrella style fuel caps compared to the prior production plastic flush fuel caps. However, the FAA position is that the flush fuel caps can be properly manintained, and it is not necessary to require a change in the fuel caps installed on most of the airplanes affected by the AD.

Accordingly, the proposal is adopted with the changes noted.

There are approximately 20,000 airplanes affected by the AD at an initial inspection cost of $15 per airplane. Eventually 4,000 airplanes are expected to be modified by the installation of fuel tank and reservoir quick drains, at an approximate cost of $200 per airplane. The initial inspection, quick drain and preflight instruction is considered to constitute unscheduled expense for the airplanes affected by the AD. The remaining airplanes have been manufactured with fuel reservoir and wing tank quick drains by Cessna prior to delivery or were equipped when they complied with AD 84–10–01. Accordingly, the estimated total cost to the private sector for compliance with the AD is $1,100,000. This cost of compliance with the AD is so small that the expense of compliance will not have a significant financial impact on any small entities operating these airplanes.

Therefore, I certify that: (1) This action is not a major rule under the provisions of Executive Order 12291, (2)

is not a significant rule under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979) and (3) will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. A draft regulatory evaluation has been prepared and has been placed in the public docket. A copy of it may be obtained by contacting the Rules Docket at the location provided under the caption "ADDRESSES".

List of Subjects in 14 CFR Part 39

Air Transportation, Aviation safety, Aircraft, Safety.

The Adoption of Amendment

Accordingly, pursuant to the authority delegated to me by the Administrator, the Federal Aviation Regulations amends § 39.13 of Part 39 of the FAR as follows:

PART 39—[AMENDED]

1. The authority citation of Part 39 continues to read as follows:

Authority: 49 U.S.C. 1354(a), 1421 and 1423; 49 U.S.C. 106(g) (Revised, Pub. L. 97-449, January 12, 1983); and 14 CFR 11.89.

§ 39.13 [Amended]

2. By adding the following new AD:

Cessna: Applies to Models R172 thru R172K, FR172E thru FR172K, 177 thru 177B and 177RG, F177RG, 185 thru 185E, A185E, A185F, A188, A188A, A188B, T188C, 205 and 205A, 206, U206, U206A thru U206G, TU206A thru TU206G, P206, P206A thru P206E, TP206A thru TP206E, 207 and 207A, T207 and T207A, 210B thru 210R, T210F thru T210R, P210N and P210R (all Serial Numbers (S/N)) airplanes equipped with fuel reservoir(s) certified in any category.

Compliance: Within 100 hours time-in-service or at the next annual inspection, whichever comes first after the effective date of this AD, unless already accomplished.

To eliminate the possibility of engine power reduction due to contaminated fuel, accomplish the following:

(a) On Cessna Models R172, R172E thru R172H, (S/Ns R172.0001 thru R1720625) FR172E thru FR172J (S/Ns FR17200001 thru FR17200530) 177 thru 177A (S/Ns 17700001 thru 17702123) Model 177RG (S/Ns 177RG0001 thru 177RG0592) F177RG (S/Ns F177RG0001 thru F177RG0122) 210G and T210G thru 210L and T210L (S/Ns 21058819 thru 21060539 and T210-0198 thru T2100454) airplanes, install quick drains in the fuel reservoirs and wing fuel tanks if not presently equipped in accordance with Cessna Single Engine Customer Care Service Information Letters SE79-45 dated September 10, 1979, and SE84-8 dated March 16, 1984, or using equivalent aircraft standard hardware.

(b) On all Cessna Models R172, R172E, R172F, R172G, R172H, R172J, R172K, (S/Ns R172-0001 thru R172-0409 and R1720410 and on) FR172E, FR172F, FR172G, FR172H, FR172J, FR172K (S/Ns FR17200001 thru FR17200675) 177, 177A, 177B (S/Ns 17700001 and on), 177RG (S/Ns 177RGG0001 and on) F177RG (S/Ns F177RG0001 thru F177RG0177) 185, 185A, 185B, 185C, 185D, 185E, A185E, A185F (S/Ns 632, 185-0001 thru 185-1599, 18501600 and on) A188 (S/Ns 653, 188-0001 thru 188-0572) A188A (S/Ns 18800573 thru 18800832) A188B (S/Ns 678T, 18800833 and on) T188C(S/Ns T18803307T, T18803308T, T18803325T and on) 205, 205A, (S/Ns 205-0001 and on) 206, U206, U206A, U206B, U206C, U206D, U206E, U206F, U206G, TU206A, TU206B, TU206C, TU206D, TU206E, TU206F, TU206G (S/Ns 206-0001 thru 206-0275, U206-0276 and on) P206, P206A, P206B, P206C, P206D, P206E, TP206A, TP206B, TP206C, TP206D, TP206E, (S/Ns P206-0001 thru P20600647) 207, 207A, T207, T207A (S/Ns 20700001 and on) 210B, 210C, 210D, 210E, 210F, 210G, 210H, 210J, 210K, 210L, 210M, 210N, 210R, T210F, T210G, T210H, T210J, T210K, T210L, T210M, T210N, T210R (S/Ns 21057841 and on) P210N and P210R (S/Ns P21000001 and on) airplanes, attach the information that is included in the appendix to this AD (entitled PILOT OPERATING PROCEDURES—PREFLIGHT FUEL SYSTEM CHECK) to the airplane documents.

(c) An equivalent means of compliance with this AD may be used if approved by the Manager, Aircraft Certification Office, FAA, 1801 Airport Road, Room 100, Mid-Continent Airport, Wichita, Kansas 67209.

All persons affected by this directive may obtain copies of the document(s) referred to herein upon request to Cessna Aircraft Company, Piston Aircraft Marketing Division, Post Office Box 1521, Wichita, Kansas, 67201; or FAA, Office of the Regional Counsel, Room 1558, 601 East 12th Street, Kansas City, Missouri 64106.

Issued in Kansas City, Missouri, on August 20, 1986.

Edwin S. Harris,

Director, Central Region.

Appendix

Pilot Operating Procedures—Preflight Fuel System Check

Fuel sampling: Fuel strainer, wing tank and reservoir quick drains.

1. Place a suitable container under the fuel strainer drain outlet prior to operating the strainer drain control for at least 4 seconds. Check strainer drain closed.

2. Inspect the fluid drained from the fuel strainer and each wing tank quick drain for evidence of fuel contamination in the form of water, rust, sludge, ice or any other substance not compatible with fuel. Also check for proper fuel grade before the first flight of each day and after each refueling. If any contamination is detected, comply with 4 below.

3. Repeat Steps 1 and 2 on each wing tank quick drain.

4. If the airplane has been exposed to rain, sleet or snow, or if the wing fuel tanks or fuel strainer drains produce water, the fuel reservoir(s) must be checked for the presence of water by operating the fuel reservoir quick drains. The airplane fuel system must be purged to the extent necessary to insure that there is no water, ice or other fuel contamination.

Note 1: The fuel reservoir(s) are located under the fuselage between the firewall and forward door post on all airplane models. Consult the Pilots Operating Handbook or Owners Manual in order to determine if one or two reservoir(s) are installed.

Note 2: A check for the presence of water using the fuel reservoir quick drains prior to the first flight of each day is considered good operating practice.

[FR Doc. 86-19055 Filed 8-28-86; 8:45 am]

BILLING CODE 4910-13-M

14 CFR Part 75

[Airspace Docket No. 86-AWA-13]

Establishment of Jet Route J-212-AZ

Correction

In FR Doc. 86-18041 appearing on page 28809 in the issue of Tuesday, August 12, 1986, make the following correction in the second column under "History" in the seventh line: "(ASD 85-SWA-48)" should read "(ASD 85-AWA-48)".

BILLING CODE 1505-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 35

[Docket No. RM86-6-000]

Construction Work in Progress; Anticompetitive Implications, Interim Rule and Request for Comment; Extension of Time To File Supplemental Reply Comments

August 25, 1986.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Interim Rule and Request for Comment; extension of time to file supplemental comments in response to the U.S. Department of Justice's reply comments.

SUMMARY: On February 27, 1986, the Commission issued an interim rule

involving construction work in progress and anticompetitive implications (51 FR 7774, March 6, 1986). The period for filing supplemental reply comments in response to the U.S. Department of Justice's reply comments filed July 7, 1986, is being extended at the request of North Carolina Electric Membership Corporation, Northeast Texas Electric Cooperative, Inc., and Sam Rayburn G&T, Inc.

DATE: Supplemental reply comments shall be filed on or before September 8, 1986.

ADDRESS: Submit comments to: Office of the Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, NW., Washington, DC 20426.

FOR FURTHER INFORMATION CONTACT: Kenneth F. Plumb, Secretary, (202) 357–8400.

Construction Work in Progress; Anticompetitive Implications

[Docket No. RM86–6–000]

Notice of Extension of Time

August 25, 1986.

On July 22, 1986, North Carolina Electric Membership Corporation, Northeast Texas Electric Cooperative, Inc., and Sam Rayburn G&T, Inc. (G&T Systems) filed a joint motion to strike reply comments of the United States Department of Justice (DOJ) or alternatively, for leave to file supplemental reply comments, in the above-docketed proceeding. In its motion, G&T Systems states that because it is G&T Systems' view that the DOJ's reply comments filed July 7, 1986, in this docket, address issues which are not in the form of a response to initial comments filed in this proceeding and because these reply comments appear to constitute a first statement by the DOJ in this matter, interested parties should be provided additional time to file supplemental reply comments in this docket. On July 31, 1986, the DOJ filed an answer stating it does not object to G&T Systems' motion to file supplemental reply comments.

Upon consideration, notice is hereby given that an extension of time for all interested parties to file supplemental reply comments in response to the DOJ's reply comments only, is granted to and including September 8, 1986.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86–19554 Filed 8–28–86; 8:45 am]

BILLING CODE 6717–01–M

DEPARTMENT OF LABOR

Employment and Training Administration

20 CFR Part 629

Job Training Partnership Act; Technical Amendment to "Reports Required" Provisions

AGENCY: Employment and Training Administration, Labor.

ACTION: Final rule.

SUMMARY: The Department of Labor is publishing a final technical amendment to the "Reports Required" section of the Job Training Partnership Act regulations. The purpose is to conform the regulations to new reporting requirements which provide for the submission of reports semiannually.

EFFECTIVE DATE: September 29, 1986.

FOR FURTHER INFORMATION CONTACT: Mr. Robert N. Colombo, Director, Office of Employment and Training Programs, Employment and Training Administration, U.S. Department of Labor, Room 6402, 601 D Street, NW., Washington, DC 20213. Telephone (202) 376–6093.

SUPPLEMENTARY INFORMATION: The Labor Department is publishing a final rule on the reporting requirements for JTPA programs.

This technical amendment amends the regulations at 20 CFR 629.36 to authorize the new reporting requirements which include the semiannual submission of reports. See 51 FR 16910 (May 7, 1986). The new requirements to place Title II–A and Title III Statewide enrollment and expenditure data on a semiannual reporting basis are based on the Department's concern that many of the budget pressures now faced were not anticipated when the annual submission was authorized starting with Program Year (PY) 1984. The data available from an annual report are too out-of-date to respond to Congressional inquiries during the budget process and to provide a sound basis for the Department's budget recommendations. Semiannual reporting and the addition of the proposed expenditure detail will also give the Department information on what has been found to be widely differing expenditure rates of programs under the Act.

Background

Proposed rulemaking governing the JTPA reporting requirements for Job Training Partnership Act (JTPA) programs was published in the **Federal Register** on February 7, 1986 (51 FR 4762) for the purpose of amending the "Reports Required" section of the JTPA regulations. The February proposal provided that comments on the proposal would be received until March 10, 1986.

Discussion of Public Comments

The Department received two separate written comments. Following is a summary of the comments received and the Department's response. Neither commentor favored semiannual reporting.

One suggested quarterly reporting.

The Department has had previous experience with quarterly reporting. We have determined that the frequency of reporting should be at intervals which would provide the most accurate and realistic data. Quarterly reporting did not provide a realistic means for determining the status of projects.

The other commentor stated that the reporting requirements should not be increased over those already in place. The Department's past experience indicates that data collected from reports provided on an annual basis is usually too out-of-date to be useful.

For the above reasons, the Department has determined that it is better to adopt the proposed rule to change the reporting requirements to semiannual as the final rule. The change, would provide sufficient time for the submission of reports; thus the reporting burden would be lessened and not increased.

Regulatory Impact

This final rule is a technical amendment conforming to changes in JTPA reporting requirements. As such, it does not have the financial or other impact to make it a major rule, and therefore, the preparation of a regulatory impact analysis is not necessary. See Executive Order No. 12291, 3 CFR, 1981 Comp., p. 127.

At the time the proposed rule was published, the Department of Labor notified the Chief Counsel for Advocacy, Small Business Administration, and made the certification pursuant to 5 U.S.C. 605(b) that the final rule will not have a significant economic impact on a substantial number of small entities, as defined in the Regulatory Flexibility Act. The reports under the rule are to be made by States, which are not small entities as defined under the Regulatory Flexibility Act.

Paperwork Reduction Act

Information collection requirements contained in this amendment to the regulation at 20 CFR 629.36 have been approved by the Office of Management and Budget under the provisions of the Paperwork Reduction Act of 1980 (Pub.

L. 96–511) and have been assigned OMB control number 1205–0200.

Catalog of Federal Domestic Assistance Number: This program is listed in the *Catalog of Federal Domestic Assistance* at: No. 17.250, "Job Training Partnership Act (JTPA)".

List of Subjects In 20 CFR Part 629

Grant programs, Labor, Manpower training programs.

Final Rule

Accordingly, Part 629 of Chapter V of Title 20, Code of Federal Regulations, is amended as follows:

PART 629—[AMENDED]

1. The authority citation for Part 629 continues to read as follows:

Authority: Job Training Partnership Act, Sec. 169, Pub. L. 97–300, 96 Stat. 1322 (29 U.S.C. 1501 et seq.).

2. Section 629.36 is revised to read as follows:

§ 629.36 Reports required.

The Governor shall report to the Secretary pursuant to instructions issued by the Secretary. Reports shall be required by the Secretary no more frequently than semiannually. Reports shall be submitted to the Secretary within 45 calendar days after the end of the report period. (Sec. 165(a)(2)).

[Approved by the Office of Management and Budget under OMB control number 1205–0200]

Signed at Washington, DC this 20th day of August, 1986.

Roger D. Semerad,

Assistant Secretary for Employment and Training.

[FR Doc. 86–19649 Filed 8–28–86; 8:45 am]

BILLING CODE 4510–30–M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 20, 25, and 602

[T.D. 8095]

Estate and Gift Taxes; Qualified Disclaimers of Property

Correction

In FR Doc. 86–17606, beginning on page 28365 in the issue of Thursday, August 7, 1986, make the following correction: On page 28378, in the first column, in amendatory instruction 12 ("Par. 12"), the following authority citation should have appeared after colon:

Authority: 26 U.S.C. 7805.

BILLING CODE 1505–01–M

FEDERAL EMERGENCY MANAGEMENT AGENCY

44 CFR Part 64

[Docket No. FEMA 6725]

Suspension of Community Eligibility; for Flood Insurance; Massachusetts et al.

AGENCY: Federal Emergency Management Agency, FEMA.

ACTION: Final rule.

SUMMARY: This rule lists communities, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP), that are suspended on the effective dates listed within this rule because of noncompliance with the floodplain management requirements of the program. If FEMA receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in this rule, the suspension will be withdrawn by publication in the **Federal Register.**

EFFECTIVE DATES: The third date ("Susp.") listed in the third column.

FOR FURTHER INFORMATION CONTACT: Frank H. Thomas, Assistant Administrator, Office of Loss Reduction, Federal Insurance Administration, (202) 646–2717, Federal Center Plaza, 500 C Street, SW., Room 416, Washington, DC 20472.

SUPPLEMENTARY INFORMATION: The National Flood Insurance Program (NFIP), enables property owners to purchase flood insurance at rates made reasonable through a Federal subsidy. In return, communities agree to adopt and administer local floodplain management measures aimed at protecting lives and new construction from future flooding. Section 1315 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4022), prohibits flood insurance coverage as authorized under the National Flood Insurance Program (42 U.S.C. 4001–4128) unless an appropriate public body shall have adopted adequate floodplain management measures with effective enforcement measures. The communities listed in this notice no longer meet that statutory requirement for compliance with program regulations (44 CFR Part 59 et. seq.). Accordingly, the communities are suspended on the effective date in the fourth column, as of that date, flood insurance is no longer available in the community. However, those communities which, prior to the suspension date, adopt and submit documentation of legally enforceable floodplain management measures required by the program, will continue their eligibility for the sale of insurance. Where adequate documentation is received by FEMA, a notice withdrawing the suspension will be published in the **Federal Register.**

In addition, the Federal Emergency Management Agency has identified the special flood hazard areas in these communities by publishing a Flood Hazard Boundary Map. The date of the flood map, if one has been published, is indicated in the fourth column of the tables. No direct Federal financial assistance (except assistance pursuant to the Disaster Relief Act of 1974 not in connection with a flood) may legally be provided for construction or acquisition of buildings in the identified special flood hazard area of communities not participating in the NFIP and identified for more than a year, on the Federal Emergency Management Agency's initial flood insurance map of the community as having flood-prone areas. (Section 202(a) of the Flood Disaster Protection Act of 1973 (Pub. L. 93–234), as amended). This prohibition against certain types of Federal assistance becomes effective for the communities listed on the date shown in the last column.

The Deputy Administrator finds that notice and public procedure under 5 U.S.C. 553(b) are impracticable and unnecessary because communities listed in this final rule have been adequately notified. Each community receives a 6-month, 90-day, and 30-day notification addressed to the Chief Executive Officer that the community will be suspended unless the required floodplain management measures are met prior to the effective suspension date. For the same reasons, this final rule may take effect within less than 30 days.

Pursuant to the provision of 5 U.S.C. 605(b), the Deputy Administrator, Federal Insurance Administration, FEMA, hereby certifies that this rule if promulgated will not have a significant economic impact on a substantial number of small entities. As stated in section 2 of the Flood Disaster Protection Act of 1973, the establishment of local floodplain management together with the availability of flood insurance decreases the economic impact of future flood losses to both the particular community and the nation as a whole. This rule in and of itself does not have a significant economic impact. Any economic impact results from the community's decision not to (adopt) (enforce) adequate floodplain management, thus placing itself in noncompliance of the Federal standards

required for community participation. In each entry, a complete chronology of effective dates appears for each listed community.

List of Subjects in 44 CFR Part 64

Flood insurance—floodplains.

1. The authority citation for Part 64 continues to read as follows:

Authority: 42 U.S.C. 4001 et. seq., Reorg. Plan No. 3 of 1978, EO 12127.

Section 64.6 is amended by adding in alphabetical sequence new entries to the table.

§ 64.6 List of eligible communities.

State and location	Community No.	Effective dates of authorization/cancellation of sale of flood insurance in community	Special flood hazard areas identified	Date [1]
Region I				
Massachusetts:				
Orleans, city of, Barnstable County	250010C	Dec. 4, 1973, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	May 31, 1974, Mar. 4, 1971, Oct. 1, 1983 and Sept. 4, 1986.	Sept. 4, 1986.
Salisbury, town of, Essex County	250103C	Nov. 17, 1972, Emerg.; May 2, 1977, Reg.; Sept. 4, 1986, Susp.	Sept. 13, 1974, May. 2, 1977, June 24, 1977, and Sept. 4, 1986.	Do.
Manchester, town of, Essex County	250090B	Jan. 15, 1974, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Apr. 5, 1974, Oct. 29, 1976, and Sept. 4, 1986	Do.
Vermont: Stockbridge, town of, Windsor County	500155B	July 8, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Nov. 1, 1974, Aug. 23, 1977, and Sept. 4, 1986	Do.
Region II				
New York:				
Somers, town of, Westchester County	361242B	Feb. 17, 1976, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Dec. 20, 1974, June 4, 1976, and Sept. 4, 1986.	Do.
Southeast, town of, Putnam County	361041A	Aug. 12, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Oct. 1, 1974, Sept. 4, 1986	Do.
Horseheads, town of, Chemung County	360153B	June 20, 1973, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Oct. 18, 1974, Jan. 16, 1976 and Sept. 4, 1986	Do.
Kent, town of, Putnam County	360671B	Mar. 21, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Apr. 12, 1974, May 14, 1976 and Sept. 4, 1986	Do.
Wallkill, town of, Orange County	360634B	Mar. 28, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	May 31, 1974, July 30, 1976 and Sept. 4, 1986	Do.
Concord, town of, Erie County	360235C	July 1, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Aug. 2, 1976, Aug. 27, 1976, Feb. 27, 1984 and Sept. 4, 1986.	Do.
Horseheads, village of, Chemung County	360154B	May 7, 1973, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Nov. 23, 1973, May 21, 1976 and Sept. 4, 1986	Do.
Region III				
Delaware: New Castle county, Unincorporated Areas.	105085B	June 6, 1970, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Dec. 7, 1971, July 1, 1974, Dec. 26, 1975 and Sept. 4, 1986.	Do.
West Virginia:				
Philippi, city of, Barbour County	540004	June 26, 1974, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Feb. 1, 1974, Apr. 2, 1976 and Sept. 4, 1986	Do.
Parkersburg, city of, Wood County	540214B	July 1, 1974, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	June 14, 1974, Sept. 19, 1975 and Sept. 4, 1986	Do.
Buckhannon, city of, Upshur County	540199B	July 8, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	June 28, 1974, Oct. 17, 1975 and Sept. 4, 1986	Do.
Cameron, city of, Marshall County	540287	Mar. 31, 1982, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Sept. 4, 1986	Sept. 4, 1987.
Region V				
Ohio: Lockland, city of, Hamilton County	390223B	Sept. 6, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Feb. 15, 1979, Jan. 13, 1978, and Sept. 4, 1986	Sept. 4, 1986.
Wisconsin:				
Downing, village of, Dunn County	550121B	Apr. 6, 1976, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	Apr. 3, 1981 and Sept. 4, 1986	Do.
Glenwood City, city of, St. Croix County	550381A	July 1, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp.	May 14, 1976 and Sept. 4, 1986	Do.
Region X				
Oregon: Salem, city of, Marion and Polk Counties	410167D	Dec. 3, 1971, Emerg.; June 15, 1979, Reg.; Sept. 4, 1986, Susp.	Aug. 9, 1974, July 2, 1976, June 15, 1979, July 5, 1984 and Sept. 4, 1986.	Do.
Region I—Minimal Conversion				
Vermont: Goshen, town of, Addison County	500004C	July 16, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 20, 1977, Nov. 28, 1980 and Sept. 1, 1986	Sept. 1, 1986
Region III				
Pennsylvania:				
Bloomfield, township of, Crawford County	421563B	July 7, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 31, 1975, May 28, 1976 and Sept. 1, 1986	Do.
Brighton, township of, Beaver County	422309A	Apr. 16, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 3, 1975 and Sept. 1, 1986	Do.
Chippewa, township of, Beaver County	422311A	Feb. 18, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 27, 1974 and Sept. 1, 1986	Do.
Columbia, township of, Bradford County	421059B	Aug. 20,1975 Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Aug. 2, 1974, May 7, 1976 and Sept. 1, 1986	Do.
Connoquenessing, township of, Butler County	421418A	Apr. 7, 1975 Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 15, 1974 and Sept. 1, 1986	Do.
Crawford, township of, Clinton County	421535B	Mar. 17, 1977, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 20, 1974, May 28, 1976 and Sept. 1, 1986	Do.
Darlington, township of, Beaver County	422312A	Mar. 11, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 13, 1974 and Sept. 1, 1986	Do.
Delano, township of, Schuylkill County	422001A	Apr. 30, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Feb. 7, 1975 and Sept. 1, 1986	Do.
East Brunswick, township of, Schuylkill County.	422002B	Apr. 9, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 24, 1975, June 27, 1980 and Sept. 1, 1986	Do.
East Union, township of, Schuylkill County	422004A	Apr. 21, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 15, 1974 and Sept. 1, 1986	Do.
Eldred, township of, Schuylkill County	422005A	Aug. 5, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 22, 1974 and Sept. 1, 1986	Do.
Forest Hills, borough of, Allegheny County	420035B	Oct. 15, 1973, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 10, 1974, Sept. 10, 1976 and Sept. 1, 1986	Do.

State and location	Community No.	Effective dates of authorization/cancellation of sale of flood insurance in community	Special flood hazard areas identified	Date [1]
Foster, township of, Schuylkill County	422006A	Apr. 21, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan 31, 1975 and Sept. 1, 1986	Do.
Frailey, township of, Schuylkill County	422007A	Dec. 3, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 8, 1974 and Sept. 1, 1986	Do.
Green, township of, Clinton County	421538B	Oct 14, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 15, 1974, Feb. 15, 1980 and Sept. 1, 1986	Do.
Harford, township of, Susquehanna County	422081A	Nov. 2, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 20, 1974, May 28, 1976 and Sept. 1, 1986	Do.
Hegins, township of, Schuylkill County	422008A	July 15, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 3, 1975 and Sept. 1, 1986	Do.
Kline, township of, Schuylkill County	422010A	Dec. 26, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 8, 1974 and Sept. 1, 1986	Do.
Loganton, borough of, Clinton County	421533B	Sept. 8, 1982 Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 8, 1974 and Sept. 1, 1986	Do.
Marion Center, borough of, Indiana County	420503	Sept. 29, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Aug. 30, 1974, Nov. 14, 1975 and Sept. 1, 1986	Do.
Metal, township of, Franklin County	421653B	Jan. 16, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 24, 1975, May 30, 1980 and Sept. 1, 1986	Do.
Mount Carbon, borough of, Schuylkill County	421995B	Aug. 28, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 3, 1976 and Sept. 1, 1986	Do.
New Albany, borough of, Bradford County	420172A	Aug. 14, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 8, 1974 and Sept. 1, 1986	Do.
Peters, township of, Franklin County	421654B	Aug. 14, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 13, 1974, May 28, 1976 and Sept. 1, 1986	Do.
Porter, township of, Schuylkill County	422016A	Aug. 18, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 15, 1975 and Sept. 1, 1986	Do.
Richmond, township of, Crawford County	421569B	May 23, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Oct. 25, 1974, Aug. 6, 1976 and Sept. 1, 1986	Do.
Rome, township of, Bradford County	422639B	Jan. 6, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Oct. 29, 1976 and Sept. 1, 1986	Do.
Sewickley Hills, borough of, Allegheny County	420072B	Dec. 10, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 26, 1976 and Sept. 1, 1986	Do.
Silver Lake, township of, Susquehanna County.	422091A	Mar. 18, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 10, 1975 and Sept. 1, 1986	Do.
South Beaver, township of, Beaver County	422329A	Dec. 11, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 10, 1975 and Sept. 1, 1986	Do.
Spring, township of, Crawford County	421570B	Mar. 1, 1977, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 31, 1974, July 9, 1976 and Sept. 1, 1986	Do.
Todd, township of, Fulton County	421665B	Dec. 11, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 17, 1975, Aug. 15, 1980 and Sept. 1, 1986	Do.
Tower City, borough of, Schuylkill County	420790B	Apr. 29, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Mar. 12, 1974, Apr. 30, 1976 and Sept. 1, 1986	Do.
Union, township of, Schuylkill County	422024A	July 24, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 8, 1974 and Sept. 1, 1986	Do.
Warren, township of, Bradford County	421408B	Mar. 1, 1977, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 31, 1975, Jan. 18, 1980 and Sept. 1, 1986	Do.
Warren, township of, Franklin County	422427B	Feb. 17, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 24, 1975, Dec. 19, 1980 and Sept. 1, 1986	Do.
West Pike Run, township of, Washington County.	422157A	Oct. 25, 1974, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 6, 1974 and Sept. 1, 1986	Do.
Region IV				
Alabama: Blue Springs, town of, Barbor County	010224A	Nov. 3, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 10, 1975 and Sept. 1, 1986	Do.
Georgia:				
Cairo, city of, Grady County	130097B	May 30, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 20, 1974, Sept. 19, 1975 and Sept. 1, 1986	Do.
Seminole County, unincorporated areas	130387A	Dec. 26, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 14, 1976 and Sept. 1, 1986	Do.
Kentucky:				
Morganfield, city of, Union County	210216B	July 23, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 17, 1974, Dec. 19, 1975 and Sept. 1, 1986	Do.
Providence, city of, Webster County	210223B	July 21, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Feb. 1, 1974, Feb. 27, 1976 and Sept. 1, 1986	Do.
Sturgis, city of, Union County	210217B	Apr. 8, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 15, 1974, Sept. 19, 1975 and Sept. 1, 1986	Do.
Vicco, city of, Perry County	210192B	Apr. 20, 1977, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 10, 1974, Mar. 5, 1976 and Sept. 1, 1986	Do.
Mississippi: Bude, town of, Franklin County	280054B	Jan. 20, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 7, 1974, June 18, 1976 and Sept. 1, 1986	Do.
South Carolina:				
Loris, town of, Horry County	450108B	Aug. 6, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 21, 1974, Apr. 16, 1976 and Sept. 1, 1986	Do.
Stuckey, town of, Williamsburg County	450192B	July 23, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept 6, 1974, July 23, 1976 and Sept. 1, 1986	Do.
Yemassee, town of, Hampton and Beaufort Counties.	450103B	June 17, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 21, 1974, Oct. 17, 1975 and Sept. 1, 1986	Do.
Tennessee:				
Cornersville, town of, Marshall County	470325A	June 18, 1984, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 17, 1976 and Sept. 1, 1986	Do.
Haywood County, unincorporated areas	470227B	Feb. 28, 1986, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 30, 1977 and Sept. 1, 1986	Do.
Region V				
Illinois:				
Piatt County, unincorporated areas	170542B	Aug. 8, 1977, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 31, 1975, Jan. 6, 1978 and Sept. 1, 1986	Do.
Rock Falls, city of, Whiteside County	170694B	May 1, 1974, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Mar. 22, 1974, Apr. 9 1976 and Sept. 1, 1986	Do.
Virginia, city of, Cass County	170024	Aug. 15, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Apr. 5, 21 1974, May 28, 1976 and Sept. 1, 1986	Do.
Indiana:				
Hamlet, town of, Starke County	180241B	Dec. 17, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 21, 1974 and Sept. 1, 1986	Do.

State and location	Community No.	Effective dates of authorization/cancellation of sale of flood insurance in community	Special flood hazard areas identified	Date [1]
Loogootee, city of, Martin County	180165B	Apr. 18, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 28, 1974, Dec. 26, 1975 and Sept. 1, 1986	Do.
Shoals, town of, Martin County	180166B	May 27, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 9, 1974, Aug. 20, 1976 and Sept. 1, 1986	Do.
Newton County, unincorporated areas	180179B	Apr. 21, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 3, 1975, July 1, 1977 and Sept. 1, 1986	Do.
Worthington, town of, Greene County	180079B	July 29, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 23, 1973, May 28, 1976 and Sept. 1, 1986	Do.
Michigan:				
Big Rapids, city of, Mecosta County	260136B	May 14, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 24, 1974, May 21, 1976 and Sept. 1, 1986	Do.
Fruitland, township of, Muskegon County	260265B	Dec. 11, 1973, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 28, 1974, June 25, 1976 and Sept. 1, 1986	Do.
Glen Arbor, township of, Leelanua County	260604B	Mar. 7, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 30, 1977 and Sept. 1, 1986	Do.
Golden, township of, Oceana County	260301A	July 17, 1974, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 17, 1975 and Sept. 1, 1986	Do.
Hart, city of, Oceana County	260484A	Apr. 8, 1986, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Apr. 11, 1975 and Sept. 1, 1986	Do.
Maple Rapids, village of, Clinton County	260384A	Nov. 8, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Apr. 25, 1975 and Sept. 1, 1986	Do.
Newfield, township of, Oceana County	260697B	Sept. 20, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 23, 1977 and Sept. 1, 1986	Do.
Newton, township of, Calhoun County	260647B	Nov. 18, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 26, 1978 and Sept. 1, 1986	Do.
Minnesota: Jasper, city of, Rock and Pipestone Counties.	270410B	July 29, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Mar. 29, 1974, Oct. 31, 1975 and Sept. 1, 1986	Do.
Ohio:				
Holmesville, village of, Holmes County	390278B	June 2, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 22, 1974, July 30, 1976 and Sept. 1, 1986	Do.
Jeromesville, village of, Ashland County	390008B	July 22, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 3, 1974, May Oct. 21, 1976 and Sept. 1, 1986.	Do.
Magnolia, village of, Carroll and Stark Counties.	390051B	Feb. 2, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 3, 1974, Jan. 30, 1974 and Sept. 1, 1986	Do.
Mechanicsburg, village of, Champaign County	390057B	Oct. 2, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Feb. 1, 1974, June 4, 1976 and Sept. 1, 1986	Do.
New Carlisle, city of, Clark County	390062B	Jan. 22, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Feb. 1, 1974, Apr. 9, 1976 and Sept. 1, 1986	Do.
Wisconsin:				
Bruce, village of, Rusk County	550370B	Nov. 26, 1974, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 24, 1974, May 28, 1976 and Sept. 1, 1986	Do.
Coleman, village of, Marinette County	550260B	Mar. 12, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 31, 1974, May 28, 1976 and Sept. 1, 1986	Do.
Cumberland, city of, Barron County	550013B	July 10, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 31, 1974, Dec. 12, 1975 and Sept. 1, 1986	Do.
Exeland, village of, Sawyer County	550409B	Mar. 17, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Aug. 16, 1974, June 4, 1976 and Sept. 1, 1986	Do.
Fall Creek, village of, Eau Claire County	550130A	Sept. 4, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 24, 1974, Sept. 24, 1976 and Sept. 1, 1986	Do.
Frederic, village of, Polk County	550334B	Mar. 24, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 31, 1974, Apr. 2, 1974 and Sept. 1, 1986	Do.
Hollandale, village of, Iowa County	550178B	Sept. 16, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 20, 1974, May 14, 1976 and Sept. 1, 1986	Do.
Kekoskee, village of, Dodge County	550101B	July 21, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 23, 1974, June 4, 1976 and Sept. 1, 1986	Do.
Kingston, village of, Green Lake County	550168B	April 10, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 17, 1973 May 14, 1976 and Sept. 1, 1986	Do.
Lyndon Station, village of, Juneau County	550203A	Mar. 26, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 24, 1974 and Sept. 1, 1986	Do.
Merrillan, village of, Jackson County	550189B	May 11, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 31, 1974, May 28, 1976 and Sept. 1, 1986	Do.
Minong, village of, Washburn County	550468B	Nov. 24, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Aug. 30, 1974, May 14, 1976 and Sept. 1, 1986	Do.
Nelsonville, village of, Portage County	550339B	July 1, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 23, 1974, Aug. 29, 1975 and Sept. 1, 1986	Do.
Poplar, village of, Douglas County	550114B	Sept. 1, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 28, 1973, May 14, 1976 and Sept. 1, 1986	Do.
Radisson, village of, Sawyer County	550411B	June 6, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 6, 1974, Dec. 5, 1975 and Sept. 1, 1986	Do.
Region VI				
Louisiana: Baskin, village of, Franklin County	220072B	May 15, 1973, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 24, 1974, Dec. 12, 1975 and Sept. 1, 1986	Do.
Region VII				
Nebraska:				
Clearwater, village of, Antelope County	310262B	Sept. 1, 1978, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Apr. 2, 1976, Aug. 15, 1978 and Sept. 1, 1986	Do.
Culbertson, village of, Hitchcock County	310110B	July 18, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 10, 1974, Nov. 14, 1975 and Sept. 1, 1986	Do.
Oakdale, village of, Antelope County	310004B	Oct. 31, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 28, 1973, Apr. 23, 1976 and Sept. 1, 1986	Do.
Verdigre, village of, Knox County	310133B	May 16, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 28, 1974, Dec. 5, 1975 and Sept. 1, 1986	Do.
Winnebago, town of, Thurston County	310223B	Jan. 17, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Apr. 5, 1974, Dec. 26, 1975 and Sept. 1, 1986	Do.
Iowa:				
Dedham, city of, Carroll County	190043A	July 7, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Nov. 1, 1974 and Sept. 1, 1986	Do.
Dow City, city of, Crawford County	190097B	Aug. 25, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 31, 1974, Dec. 19, 1975 and Sept. 1, 1986	Do.
Earling, city of, Shelby County	190247B	July 18, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	May 3, 1974, Jan. 2, 1976 and Sept. 1, 1986	Do.
Jefferson, city of, Greene County	190396A	Dec. 23, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Aug. 29, 1975, and Sept. 1, 1986	Do.

State and location	Community No.	Effective dates of authorization/cancellation of sale of flood insurance in community	Special flood hazard areas identified	Date [1]
Kimballton, city of, Audubon County	190014A	Apr. 8, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Dec. 13, 1974 and Sept. 1, 1986	Do.
Moville, city of, Woodbury County	190293B	Feb. 23, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Feb. 18, 1977 and Sept. 1, 1986	Do.
Portsmouth, city of, Shelby County	190507A	Oct. 6, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 19, 1975 and Sept. 1, 1986	Do.
Shenandoah, city of, Page County	190220B	Aug. 25, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	June 28, 1974, Dec. 26, 1975 and Sept. 1, 1986	Do.
Wall Lake, city of, Sac County	190504A	Aug 7, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 26, 1975 and Sept. 1, 1986.	Do.
Westside, city of, Crawford County	190102B	July 28, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 10, 1975, Nov. 29, 1977 and Sept. 1, 1986	Do.
Winfield, city of, Henry County	190688A	Sept. 24, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Sept. 19, 1975 and Sept. 1, 1986	Do.
Kansas				
Logan, city of, Phillips County	200265B	Apr. 11, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	July 19, 1974, Oct. 17, 1975 and Sept. 1, 1986	Do.
Long Island, city of, Phillips County	200266B	May 13, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 3, 1975, Sept. 13, 1977 and Sept. 1, 1986	Do.
Madison, city of, Greenwood County	200121B	Aug. 7, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	July 19, 1974, June 11, 1976 and Sept. 1, 1986	Do.
Virgil, city of, Coreenwood County	200122A	Feb. 11, 1976, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Jan. 10, 1975 and Sept. 1, 1986	Do.
Mountain Grove, city of, Wright County	290456B	Feb. 19, 1975, Emerg.; Sept. 1, 1986, Reg.; Sept. 1, 1986, Susp.	Apr. 5, 1974, Oct. 17, 1975 and Sept. 1, 1986	Do.

[1] Date certain Federal assistance no longer available in special flood hazard areas.
Code for reading 3d column: Emerg.—Emergency; Reg.—Regular; Susp.—Suspension.

Issued: August 22, 1986.

Francis V. Reilly,

Deputy Administrator, Federal Insurance Administration.

[FR Doc. 86-19476 Filed 8-28-86; 8:45 am]

BILLING CODE 6718-03-M

44 CFR Part 64

[Docket No. FEMA 6726]

Suspension of Community Eligibility; Georgia et al.

AGENCY: Federal Emergency Management Agency, FEMA.

ACTION: Final rule.

SUMMARY: This rule lists communities, where the sale of flood insurance has been authorized under the National Flood Insurance Program (NFIP), that are suspended on the effective dates listed within this rule because of noncompliance with the floodplain management requirements of the program. If FEMA receives documentation that the community has adopted the required floodplain management measures prior to the effective suspension date given in this rule, the suspension will be withdrawn by publication in the **Federal Register.**

EFFECTIVE DATES: The third date ("Susp.") listed in the fourth column.

FOR FURTHER INFORMATION CONTACT: Frank H. Thomas, Assistant Administrator, Office of Loss Reduction, Federal Insurance Administration, (202) 646-2717, Federal Center Plaza, 500 C Street, Southwest, Room 416, Washington, DC 20472.

SUPPLEMENTARY INFORMATION: The National Flood Insurance Program (NFIP), enables property owners to purchase flood insurance at rates made reasonable through a Federal subsidy. In return, communities agree to adopt and administer local floodplain management measures aimed at protecting lives and new construction from future flooding. Section 1315 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4022), prohibits flood insurance coverage as authorized under the National Flood Insurance Program (42 U.S.C. 4001–4128) unless an appropriate public body shall have adopted adequate floodplain management measures with effective enforcement measures. The communities listed in this notice no longer meet that statutory requirement for compliance with program regulations (44 CFR Part 59 et. seq.). Accordingly, the communities are suspended on the effective date in the fourth column, as of that date, flood insurance is no longer available in the community. However, those communities which, prior to the suspension date, adopt and submit documentation of legally enforceable floodplain management measures required by the program, will continue their eligibility for the sale of insurance. Where adequate documentation is received by FEMA, a notice withdrawing the suspension will be published in the **Federal Register.**

In addition, the Federal Emergency Management Agency has identified the special flood hazard areas in these communities by publishing a Flood Hazard Boundary Map. The date of the flood map, if one has been published, is indicated in the fifth column of the table. No direct Federal financial assistance (except assistance pursuant to the Disaster Relief Act of 1974 not in connection with a flood) may legally be provided for construction or acquisition of buildings in the identified special flood hazards area of communities not participating in the NFIP and identified for more than a year, on the Federal Emergency Management Agency's initial flood insurance map of the community as having flood-prone areas. (Section 202(a) of the Flood Disaster Protection Act of 1973 (Pub. L. 93–234), as amended). This prohibition against certain types of Federal assistance becomes effective for the communities listed on the date shown in the last column.

The Deputy Administrator finds that notice and public procedure under 5 U.S.C. 553(b) are impracticable and unnecessary because communities listed in this final rule have been adequately notified. Each community receives a 6-month, 90-day, and 30-day notification addressed to the Chief Executive Officer that the community will be suspended unless the required floodplain management measures are met prior to the effective suspension date. For the same reasons, this final rule may take effect within less than 30 days.

Pursuant to the provision of 5 U.S.C. 605(b), the Deputy Administrator, Federal Insurance Administration, FEMA, hereby certifies that this rule if promulgated will not have a significant economic impact on a substantial number of small entities. As stated in section 2 of the Flood Disaster Protection Act of 1973, the establishment

of local floodplain management together with the availability of flood insurance decreases the economic impact of future flood losses to both the particular community and the nation as a whole. This rule in and of itself does not have a significant economic impact. Any economic impact results from the community's decision not to (adopt) (enforce) adequate floodplain management, thus placing itself in noncompliance of the Federal standards required for community participation. In each entry, a complete chronology of effective dates appears for each listed community.

List of Subjects in 44 CFR Part 64

Flood insurance—floodplains.

PART 64—[AMENDED]

The authority citation for Part 64 continues to read as follows:

Authority: 42 U.S.C. 4001 et. seq., Reorganization Plan No. 3 of 1978, E.O. 12127.

Section 64.6 is amended by adding in alphabetical sequence new entries to the table.

§ 64.6 List of eligible communities.

State and location	Community No.	Effective dates of authorization/cancellation of sale of flood insurance in community	Special flood hazard areas identified	Date [1]
Region IV—Minimal Conversions				
Georgia:				
Irwinton, city of, Wilkinson County	130440A	Aug. 4, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Apr. 25, 1975 and Sept. 4, 1986	Sept. 4, 1986.
Lake City, city of Clayton County	130044B	May 6, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	May 31, 1974, May 14, 1976 and Sept. 4, 1986.	Do.
Mississippi: Ecru, town of, Pontotoc County.	280133C	June 2, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Feb. 1, 1974, Feb. 13, 1976, May 9, 1980 and Sept. 4, 1986.	Do.
North Carolina:				
Lillington, town of, Harnett County	370381B	Mar. 7, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	May 5, 1978 and Sept. 4, 1986	Do.
Mitchell County, unincorporated areas	370161B	July 18, 1979, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	June 30, 1978 and Sept. 4, 1986	Do.
Pollocksville, town of Jones County	370142B	Jan. 15, 1974, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Mar. 15, 1974, June 4, 1976 and Sept. 4, 1986.	Do.
Tennessee: Liberty, city of De Kalb County	470044B	May 23, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Aug. 9, 1974, June 11, 1976 and Sept. 4, 1986.	Do.
Region V				
Illinois: Bradford, village of, Stark County	170745A	Sept. 30, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Dec. 20, 1974, and Sept. 4, 1986	Do.
Region V—Minimal Conversions				
Illinois: New Baden, village of, Clinton County.	170050B	Nov. 25, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	May 24, 1974, May 21, 1976 and Sept. 4, 1986.	Do.
Michigan: Bridgeton, township of Newaygo County.	260466A	May 6, 1976, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Oct. 22, 1976, and Sept. 4, 1986	Do.
Wisconsin: Luxemburg, village of, Kewaunee County.	550216B	July 23, 1975, Emerg.; Jan. 3, 1985, Reg.; Sept. 4, 1986, Susp	Sept. 4, 1986	Do.
Region VII				
Kansas: Sharon Springs, city of, Wallace County.	200529A	Nov. 26, 1976, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Sept. 12, 1975 and Sept. 4, 1986	Do.
Missouri:				
Licking, city of, Texas County	290441C	Oct. 2, 1974, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Mar. 1, 1974, Apr. 23, 1976, Apr. 12, 1983 and Sept. 4, 1986.	Do.
Monroe, city of, Marion and Monroe Counties.	290688A	May 4, 1976, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Feb. 21, 1975, and Sept. 4, 1986	Do.
Wayland, city of, Clark County	290084B	Sept. 4, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Oct. 18, 1974, Feb. 6, 1976 and Sept. 4, 1986.	Do.
Winona, city of, Shannon County	290419B	July 11, 1975, Emerg.; Sept. 4, 1986, Reg.; Sept. 4, 1986, Susp	Nov. 5, 1976 and Sept. 4, 1986	Do.

[1] Date certain Federal assistance no longer available in special flood hazard areas.
Code for reading 3d column: Emerg.—Emergency; Reg.—Regular; Susp.—Suspension.

Francis V. Reilly,
Deputy Administrator, Federal Insurance Administration.

[FR Doc. 86-19572 Filed 8-28-86; 8:45 am]
BILLING CODE 6718-03-M

FEDERAL MARITIME COMMISSION

46 CFR Parts 510, 580, and 582

[Docket No. 86-19]

Anti-Rebating Certification by Those Engaged in the Foreign Commerce of the United States

AGENCY: Federal Maritime Commission.

ACTION: Final rule.

SUMMARY: The Federal Maritime Commission amends its rules governing the filing of anti-rebating certificates in the foreign commerce of the United States. The purpose of the rule is to establish uniform application of anti-rebating rules with respect to ocean common carriers, non-vessel operating common carriers and freight forwarders, and provide that companies which function in more than one capacity need file only one anti-rebating certificate. The rule also specifies the time period covered by the anti-rebate certification and provides a uniform due date for submission of the certificate.

EFFECTIVE DATE: October 28, 1986.

FOR FURTHER INFORMATION CONTACT: Robert G. Drew, Director, Bureau of Tariffs, Federal Maritime Commission, 1100 L Street, NW., Washington, DC 20573, (202) 523-5796.

SUPPLEMENTARY INFORMATION: By Notice published in the **Federal Register** on May 15, 1986 (51 FR 17754), the Commission proposed to amend certain of its rules concerning the filing of anti-rebating certificates. The proposed amendment established a common due date of December 31 by which all certificates must be filed. The purpose of this revision was to eliminate any confusion resulting from the different filing dates facing certain regulated parties, and to clarify the period of validity of a certificate. The proposed amendments also required each common carrier to file a certificate with its initial tariff and each ocean freight forwarder to file its initial certificate with its license application, and specified the time period for which each certificate is valid.

Additionally, provisions were proposed to permit an individual firm to submit only one certificate when it functions in more than one capacity, i.e., both as a non-vessel operating common carrier and an ocean freight forwarder. The Commission also proposed to remove the tariff notification requirement contained in 46 CFR 582.3.

That provision was deemed duplicative of that contained in 46 CFR 580.5(c), where it properly resides.

Comments on the proposed rule were received from three parties, Associated Container Transportation (Australia) Ltd. (ACT), the National Customs Brokers and Forwarders Association of America, Inc. (NCBFAA) and Interstate International, Inc. (Interstate). All three generally supported the proposed rule.

ACT offered two suggestions. The first would include a provision with respect to joint services, providing that the joint service, rather than the individual parties, be held responsible for the certification. This suggestion has merit. The purpose of the anti-rebating certification is to aid in the enforcement of the prohibitions against rebating found in section 10 of the 1984 Act. Section 10(e), 46 U.S.C. app. § 1709(e), states:

> For purposes of this section [section 10], a joint venture or consortium of two or more common carriers *but operated as a single entity* shall be treated as a single common carrier. (emphasis added).

Because a joint service *operated as a single entity* would be treated as a single common carrier for purposes of any violation of section 10 involving rebates, it seems appropriate to treat such joint services as single carriers for purposes of the certification. Accordingly, we have incorporated this suggestion in the final rule (§ 582.1(a)).

ACT also recommended that paragraphs (a) through (d) of proposed 46 CFR 582.2 be eliminated. ACT stated that the requirements contained therein were duplicative of material contained in Appendix A to Part 582, while using dissimilar language. We believe that the provisions in question are substantive and should remain in the body of the rule. However, the final rule, has been modified to make it more consistent with Appendix A to Part 582.

NCBFAA pointed out that the proposed rule failed to take into account the situation wherein an application for an ocean freight forwarder license is granted in a year subsequent to the year in which the application was failed. NCBFAA suggested that the certification filed with the application be valid for the remainder of the calendar year in which the license is granted. This recommendation has merit and has been adopted in the final rule (§ 582.3(c)).

NCBFAA also noted that the proposed rule fails to distinguish between "applicants" and "licensed ocean freight forwarders," and offered certain changes to the proposed rule to take into account this distinction. The thrust of this comment is that applicants file the initial certificate, while licensed ocean freight forwarders must comply with the annual certification requirement. NCBFAA is correct and the final rule has been revised accordingly.

Interstate, which functions as both an ocean freight forwarder and a non-vessel operating common carrier, endorsed the provision that a single certificate would satisfy the annual filing requirement for companies or firms which function in more than one capacity.

The final rule also reflects certain non-substantive technical changes.

The Commission has determined that this rule is not a "major rule" as defined in Executive Order 12291, February 27, 1981, because it will not result in:

(1) An annual effect on the economy of $100 million or more;

(2) A major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or

(3) Significant adverse effect on competition, employment, investment productivity, innovations, or on the ability of the United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

The Chairman of the Federal Maritime Commission certifies that, although this rule may affect a substantial number of small entities, particularly small businesses, the economic impact is not considered to be significant.

The collection of information requirements contained in this rule have been submitted to the Office of Management and Budget (O.M.B.) for review under section 3504(h) of the Paperwork Reduction Act. 44 U.S.C. 3504(h). A copy of the request for O.M.B. review and supporting documentation may be obtained from the Commission's Secretary. Comments on the information collection aspects of this rule should be submitted to the Office of Information and Regulatory Affairs of O.M.B., Attention: Desk Officer for the Federal Maritime Commission. Collection of information requirements contained in original Parts 510, 580, and 582 were approved by the Office of Management and Budget under the provisions of the Paperwork Reduction Act of 1980 (Pub. L. 96-511) and assigned control numbers 3072-0009, 3072-0018 and 3072-0028.

List of Subjects

46 CFR Part 510

Exports, Freight forwarders, Maritime carriers, Rates and fares, Reporting and recordkeeping requirements, Surety bonds.

46 CFR Part 580

Anti-trust, Cargo, Cargo vessels, Contracts, Exports, Harbors, Imports, Maritime carriers, Rates and fares, Reporting and recordkeeping requirements, Water carriers, Water transportation.

46 CFR Part 582

Cargo, Cargo vessels, Exports, Foreign relations, Freight forwarders, Imports, Maritime carriers, Rates and fares, Reporting and recordkeeping requirements, Water carriers, Water transportation.

Therefore, for the reasons set forth above, Parts 510, 580, and 582 of Title 46, Code of Federal Regulations, are amended as follows:

PART 510—[AMENDED]

1. The authority citation to part 510 is revised to read:

Authority: 5 U.S.C. 553; 46 U.S.C. app. 1702, 1707, 1709, 1710, 1712, 1714, 1716, and 1718.

2. Section 510.25 is revised to read as follows:

§ 510.25 Anti-rebate certifications.

(a) Every licensed ocean freight forwarder shall file an anti-rebating certificate on or before each December 31.

(b) Every applicant for an ocean freight forwarder license shall file an anti-rebating certificate with its license application. Such certificate shall be valid through December 31 of the year in which the license is granted.

(c) The anti-rebating certificate shall comply with the requirements of Part 582 of this title, and, except for a certificate filed with a license application, shall apply to the calendar year following the December 31 filing date.

PART 580—[AMENDED]

1. The authority citation to Part 580 is revised to read:

Authority: 5 U.S.C. 553; 46 U.S.C. app. 1702-1705, 1707-1709, 1712, 1714-1716, and 1718.

2. Section 580.5(c)(2) is revised to read as follows:

§ 580.5 Tariff contents.

* * * * *

(c) * * *

(2)(i) The full legal name of each participating common carrier, appropriately identified as a Non-Vessel-Operating Common Carrier or Vessel Operating Common Carrier and the address of its principal office. Where a joint service participates, the FMC

number of the agreement authorizing the joint service shall also be shown.

(ii) An anti-rebate tariff provision to be effective upon filing which shall read substantially as follows (*see* Exhibit No. 2 to this part):

(Name of company) has a policy against the payment of any rebate by the company or by any officer, employee, or agent thereof, which payment would be unlawful under the United States Shipping Act of 1984. Such policy has been certified to the Federal Maritime Commission in accordance with the Shipping Act of 1984 and the regulations of the Commission set forth in 46 CFR 582.

(A) When the common carrier's tariff is a conference tariff, the common carrier shall ensure that the conference publishes the common carrier's anti-rebate tariff provision in the conference tariff.

(B) In addition to the anti-rebate tariff provision, an anti-rebating certificate shall be filed by every common carrier with its initial tariff, and on each succeeding December 31. The anti-rebating certificate shall comply with the requirements of Part 582 of this title, and, except for a certificate filed with an initial tariff, shall be valid for the calendar year following the December 31 filing date.

PART 582—[AMENDED]

1. The authority citation to Part 582 is revised to read:

Authority: 5 U.S.C. 553; 46 U.S.C. app. 1701, 1702, 1707, 1709, 1712, and 1714–1716.

2. Section 582.1 is revised to read as follows:

§ 582.1 Scope.

(a) The requirements set forth in this part are binding upon every common carrier by water and ocean freight forwarder in the foreign commerce of the United States and, at the discretion of the Commission, will apply to any shipper, shippers' association, marine terminal operator, or broker. In the case of a joint service operated as a single entity, the joint service, rather than the participants, is responsible for the provisions of this part.

(b) Information obtained under this part will be used to maintain continuous surveillance over common carrier and ocean freight forwarder activities and to deter rebating practices. Failure to file the required certificate may result in a civil penalty of not more than $5,000 for each day such violation continues.

3. Section 582.2 is revised to read as follows:

§ 582.2 Form of certification.

(a) The Chief Executive Officer, *i.e.*, the most senior officer within the firm designated by the board of directors, owners, stockholders, or controlling body as responsible for the direction and management of the firm, of each common carrier and ocean freight forwarder and, when so ordered by the Commission, the Chief Executive Officer of any shipper, shippers' association, marine terminal operator, or broker, shall file with the Secretary, Federal Maritime Commission, a written certification, under oath, as prescribed in the format in Appendix A to this part, attesting:

(1) That it is the stated policy of the firm that the payment, solicitation or receipt by the firm of any rebate which is unlawful under the Shipping Act of 1984, is prohibited;

(2) That this policy was recently promulgated to each owner, officer, employee, and agent of the firm; and

(3) That the firm will fully cooperate with the Commission in any investigation of illegal rebating.

(b) A description of the details of the measures instituted within the firm or otherwise to prohibit its involvement in the payment or receipt of illegal rebates shall be attached to the certification.

§ 582.3 [Removed]

4. Section 582.3 is removed.

5. Section 582.4 is redesignated as § 582.3 and revised to read as follows:

§ 582.3 Reporting requirements.

(a) Every common carrier required by this part to file a written certification in the form prescribed by § 582.2, shall file such certification with its initial tariff and, thereafter, on or before December 31 of each year.

(b) Every licensed ocean freight forwarder, required by § 510.25 of this title to file a written certification in the form prescribed by § 582.2 of this part, shall file such certification on or before December 31 of each year. Every applicant for an ocean freight forwarder license shall file such certification with its license application.

(c) The certification required by this section shall be valid for the remainder of the calendar year following the initial filing of a tariff or granting of an ocean freight forwarder license and, thereafter, shall be valid for the calendar year following the December 31 filing date specified in 46 CFR 510.25, 580.5(c)(2)(ii), and 582.3(a) and (b).

(d) Every person other than a common carrier or ocean freight forwarder which is ordered by the Commission pursuant to § 582.2 to file a written certification shall file such certification in the manner prescribed by the Commission.

(e) In those instances in which a single firm operates in more than one capacity, such as both a non-vessel-operating common carrier and an ocean freight forwarder, a single certificate may be submitted to satisfy the annual reporting requirements of this section.

6. Appendix A to Part 582 is revised to read as follows:

Appendix A—Certification of Policies and Efforts To Combat Rebating in the Foreign Commerce of the United States

46 CFR Part 582

I, (Name of affiant), state under oath that I am the Chief Executive Officer (State exact title) of (Exact names of firm), hereinafter referred to as "The Firm", and that:

1. It is, and shall continue to be, the policy of The Firm to prohibit its participation in the payment, solicitation, or receipt of any rebate, directly or indirectly, which is unlawful under the provisions of the Shipping Act of 1984.

2. Each owner, officer, employee and agent of The Firm was notified or reminded of this policy on (Date).

3. The Firm affirms that it will cooperate fully with the Federal Maritime Commission in any investigation of suspected rebating in United States foreign trades.

4. Attached hereto is a description of the details of measures instituted, within the Firm or otherwise, to prohibit its involvement in the payment or the receipt of illegal rebates in the foreign commerce of the United States.

The period covered by this Certification is from (Date) to (Date).

The Firm is a (check each block applicable):

_____Broker
_____Freight Forwarder (License No._____)
_____Marine Terminal Operator
_____Non-Vessel-Operating Common Carrier
_____Shipper
_____Shippers' Association
_____Vessel Operating Common Carrier

(Signature of affiant)

Subscribed to and sworn before me this _____ day of _____, 19_____.

Notary Public

By the Commission.

Joseph C. Polking,

Secretary.

[FR Doc. 86–19614 Filed 8–28–86; 8:45 am]

BILLING CODE 6730–01–M

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 22

[CC Docket No. 85-388; RM 5167]

Rural Cellular Service; Extension of Time for Filing Suggested Modification to Tentatively Adopted Boundaries

AGENCY: Federal Communications Commission.

ACTION: Final rule; Extension of time for filing suggested modification to tentatively adopted boundaries.

SUMMARY: The Commission has determined that the schedule established for filing suggested modifications, responses and settlements to the Rural Service Area (RSA) boundaries mentioned in its *First Report and Order*, published July 28, 1986, 51 FR 26895 should be extended. This extension of time was granted in response to a Petition for Reconsideration filed by National Telephone Cooperative Association (NTCA).

DATES: Modification suggestions will now be due September 11, 1986. Responses or oppositions will now be due October 1, 1986. Parties will have until October 27, 1986 to settle conflicts.

ADDRESS: Federal Communications Commission, 1919 M Street, NW., Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Carolyn J. Tatum, Mobile Services Division, Common Carrier Bureau, (202) 632-6450.

SUPPLEMENTARY INFORMATION: .

Order

In the matter of amendment of the Commission's Rules for Rural Cellular Service.

Adopted: August 21, 1986;
Released: August 25, 1986.
By the Common Carrier Bureau:

1. On August 6, 1986, the National Telephone Cooperative Association (NTCA) filed a Petition for Reconsideration of the *First Report and Order*, FCC 86-302, released July 18, 1986 (*Order*). This *Order* tentatively adopted the boundaries proposed by United TeleSpectrum, Inc. (United) for Rural Service Areas and established a schedule for submitting modifications of these boundaries.

2. Under the established schedule, interested parties have 30 days from the date the summary of the *Order* was published in the **Federal Register** to submit suggestions for modifications to this plan. Responses or oppositions to these suggestions are due 15 days thereafter and the parties have a final 15-day period for effecting settlements with opposing or conflicting parties. NTCA's Petition for Reconsideration asks that the Commission extend these schedules as follows: that the initial filing period be extended from 30 to 90 days, oppositions from 15 to 30 days, and that the settlement period be extended from 15 to "slightly more than" 30 days.[1] NTCA asserts that this time frame is "not inappropriately long" and will allow interested parties ample time to prepare suggested modifications, oppositions to suggestions, and to reach settlements. NTCA argues that this additional time will facilitate joint filings, avoid prejudice to small exchange carriers, and will eliminate future confusion and delays by allowing the parties sufficient time to analyze the new RSA boundaries in the context of local needs, conditions and communities of interest.

3. We have considered NTCA's arguments and have concluded that the public interest would be served by the grant of a limited extension of time as follows: the schedule for filing suggested modifications will be extended by 15 days from 30 to 45 days after publication of the summary in the **Federal Register**, oppositions will be due 20 days, rather than 15 days, later, and parties will have 10 extra days, a total of 25, to settle conflicts. This plan balances the needs of the industry while also insuring that the Commission does not stray from its goal of providing prompt and expeditious cellular service to the public. This extension provides those interested parties who have had difficulty acquiring copies of the United plan additional time to evaluate and submit modifications, insures that small exchange carriers and others which lack a continuing presence in the Washington, D.C. area have had an ample opportunity to participate in this process, and delays the rural cellular filing process by a mere 30 days.

4. Accordingly, It Is Ordered That the portion of the Petition for Reconsideration filed by the National Telephone Cooperative Association treated as a motion for extension of time Is Granted as specified.

Gerald P. Vaughan,
Deputy Chief, Common Carrier Bureau.

[FR Doc. 86-19611 Filed 8-28-86; 8:45 am]
BILLING CODE 6712-01-M

[1] This portion of the Petition for Reconsideration will be treated as a motion for extension of time. NTCA also asks the Commission to require parties filing oppositions or responses to modification suggestions to serve those parties filing the suggested modifications and to establish an appeals process for certain aggrieved parties with limited resources. These matters are outside the scope of a motion for extension of time and will be dealt with at a later date.

47 CFR Part 90

[PR Docket No. 84-884; FCC 86-361]

Private Land Mobile Radio Services; Operations in the Telephone Maintenance Radio Service

AGENCY: Federal Communications Commission.

ACTION: Final rule.

SUMMARY: The Commission has adopted a Report and Order amending the rule governing eligibility and operations in the Telephone Maintenance Radio Service (TMRS). The TMRS rule (47 CFR 90.81) is amended to remove the division of frequencies between wireline carriers and microwave carriers on the VHF and UHF frequencies allocated to the TMRS. The Commission has also decided to allow TMRS eligibles to use their TMRS facilities to maintain customer premises equipment and enhanced service offerings when these activities are undertaken as an adjunct to the maintenance of the licensee's transmission facilities. These actions are taken in light of the dramatic changes the telephone industry experienced with the divestiture of the Bell Operating Companies by AT&T.

EFFECTIVE DATE: September 26, 1986.

FOR FURTHER INFORMATION CONTACT: Harold Salters, Land Mobile and Microwave Division, Private Radio Bureau, (202) 632-7597.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's report and order, PR Docket No. 84-884, adopted August 7, 1986 and released August 20, 1986.

The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Dockets Branch (Room 230), 1919 M Street, NW., Washington, DC. The complete text of this decision may also be purchased from the Commission's copy contractor, International Transcription Service, (202) 857-3800, 2100 M Street, NW., Suite 140, Washington, DC 20037.

Summary of Report and Order

On August 16, 1985, the FCC released a Notice of Proposed Rule Making (Notice) in PR Docket No. 84-884 (50 FR 33072, August 16, 1985) proposing

amendments to the rule governing the Telephone Maintenance Radio Service (TMRS), 47 CFR 90.81 (1985), in light of the dramatic changes the telephone industry experienced with the divestiture of the Bell Operating Companies (BOCs) by AT&T. The TMRS was established in 1958, when the majority of communications common carrier facilities in the U.S., both local exchange and interexchange (long distance), were owned by AT&T directly or its BOCs. Facilities in the TMRS are used for the transmission of communications related to the construction, repair, maintenance or operation of communications common carrier facilities.

Eligibility in the TMRS is limited to communications common carriers offering wireline service (wireline carriers) and intercity microwave carriers licensed in the Point-to-Point Microwave Radio Service under Part 21 (microwave carriers). The wireline carriers have available for their exclusive use two low-band VHF frequencies, two high-band VHF frequencies, and six frequency pairs at 450–470 MHz in the UHF band. The microwave carriers have available twelve frequency pairs in the 450–470 MHz band which they must share with eligibles in the Power, Petroleum, Forest Products and Manufacturers Radio Services. The wireline carriers also have access to these twelve shared frequency pairs whenever their six frequency pairs in the 450–470 MHz band are exhausted in their proposed area of operation. The term "frequency fence" is commonly used to refer to this division of frequencies, because the microwave carriers do not have access to the exclusive wireline frequencies. In the 470–512 MHz band (Subpart L of Part 90) and the 800 MHz band (Subparts M&S of Part 90) there is no division of frequencies between wireline and microwave carriers, nor are there any frequencies exclusively allocated for the TMRS's use.

Our Notice in this proceeding proposed a number of changes to the TMRS rule to bring it into conformance with the post-divestiture industry environment. Of these, commenters viewed three of them as controversial: (1) The proposal to remove the frequency fence and eliminate the precedence accorded wireline carriers; (2) the proposal to provide TMRS eligibles access to the twelve frequency pairs in the 450–470 MHz band that are shared with four other private land mobile radio services without demonstrating that all exclusive TMRS frequencies in that band are exhausted in the proposed area of operation; and (3) the proposal to permit the use of TMRS facilities to maintain customer premises equipment (CPE) and enhanced service offerings when a TMRS eligible uses common equipment (i.e., same utility trucks equipped with two-way radio) to maintain both its basic transmission facilities and CPE/enhanced offerings.

(1) Elimination of the Frequency Fence

The Notice proposed eliminating the frequency fence and making all TMRS frequencies available to both local exchange (wireline) and interexchange (microwave) carriers on an equal basis.

All commenters except those representing local exchange telephone companies supported the proposal, some noting that the requirements of local exchange carriers and interexchange carriers for TMRS facilities are comparable. Elimination of the frequency fence also eliminates the need for AT&T, or any other carrier, to be displaced from the frequencies on which they operate. Since AT&T is no longer a provider of local exchange telephone service, and hence no longer eligible for the wireline carrier TMRS frequencies, retention of the frequency fence would require either a rule waiver for AT&T, the grandfathering of AT&T's existing authorizations or the relocation of AT&T's TMRS facilities to the interexchange (microwave) carrier frequencies.

The BOCs and others representing local exchange carriers argue that a frequency fence is necessary to ensure that interference between the maintenance and repair activities of local exchange carriers and interexchange carriers is minimized.

The Commission is removing the frequency fence in the interests of conforming the TMRS rule to today's telecommunications environment where all types of communications common carriers require TMRS frequencies to coordinate the maintenance and repair of their transmission facilities. We are mindful of the local exchange carriers' concerns about interference, but we are confident that removing the fence will not increase it. First, it is our experience that licensees in the same radio service usually work together to minimize and resolve interference problems. Second, we remain confident that the frequency coordination procedures of the Telephone Maintenance Frequency Advisory Committee, the Commission-certified organization responsible for frequency coordination of the TMRS, can take the particular requirements of an individual applicant into consideration and select a frequency for that applicant that does not degrade the quality of service of co-channel licensees.

(2) Use of the Shared 450–470 MHz Frequencies

The frequency fence was established in 1974, when eligibility in the TMRS was expanded to include the Part 21 microwave carriers. The fence precluded the microwave carriers from accessing the exclusive wireline frequencies. Instead, the microwave carriers gained access to the twelve frequency pairs shared between the TMRS and four other private land mobile radio services. Under this arrangement only microwave carriers were exempted from the requirement that assignments are made on these frequencies only when all of the base and mobile frequencies in the 450–470 MHz band for which the applicant is primarily eligible are exhausted within 35 miles of the proposed base station. One of the consequences of our proposal to remove the frequency fence is that all TMRS eligibles would gain direct access (i.e., no demonstration of exhausting frequencies) to the twelve frequency pairs.

Organizations representing the four other private land mobile radio services that share these frequencies comment that, with removal of the frequency fence, all TMRS eligibles, including the microwave carriers, can now employ all of the exclusive TMRS frequencies. They point out the proposal would convert a shared pool of frequencies into a primary TMRS allocation with the four other services relegated to secondary status. They urge us to reinstate the pre-1974 regulatory scheme, under which all five services had access to the shared channel pairs whenever their primary 450–470 MHz band frequencies were exhausted in the proposed area of operation.

The Commission believes that with removal of the frequency fence, it would be unfair to convert a shared pool of frequencies into a primary TMRS allocation. Accordingly, we are amending the rule to require TMRS applicants who request facilities on the twelve shared frequency pairs to first demonstrate that no primary TMRS frequencies in the 450–470 MHz band are available in the proposed area of operation. The operations of any microwave carrier now operating on these frequencies will, of course, be grandfathered.

(3) Use of the TMRS for Activities Involving CPE/Enhanced Offerings

The TMRS was established for the maintenance and repair of communications common carrier facilities, which, in the past, sometimes included the installation and repair of CPE and what we today categorize as "enhanced service offerings." Today, CPE and enhanced service offerings are not common carrier functions. Most commenters supported the Commission's proposal to permit the use of TMRS facilities to maintain CPE/enhanced offerings when a TMRS eligible uses common equipment to maintain both its basic transmission facilities and CPE/enhanced offerings. The Commission made this proposal out of concern that no TMRS eligible should be required to construct a duplicate radio system to handle communications involving CPE/enhanced offerings just to meet the requirements of the TMRS eligibility rule.

Some commenters believe the "common equipment" test is not sufficient and would lead to congestion of the TMRS frequencies as eligibles "unnecessarily" used their facilities to maintain CPE/enhanced offerings. The local exchange carriers generally support the proposal, stating that it would remove a significant cost burden from those carriers who have CPE/enhanced functions incidental to the maintenance of their basic transmission facilities. Interexchange carriers urge that all TMRS eligibles be permitted to use their systems for the maintenance of CPE and enhanced services as an adjunct to the transmission facility maintenance activity that forms the basis of their TMRS eligibility.

Having considered the comments, the Commission has decided to adopt the common equipment test and permit the use of TMRS facilities to maintain CPE and enhanced service offerings when a TMRS eligible uses common equipment to maintain both its basic transmission facilities and CPE/enhanced offerings. We believe that the common equipment test strikes a careful balance: no TMRS licensee is required to incur substantial costs constructing a duplicate mobile radio system, while, at the same time, the underlying purpose of the TMRS, which is the maintenance of common carrier transmission facilities, is preserved.

Final Regulatory Flexibility Analysis

Pursuant to the Regulatory Flexibility Act of 1980, 5 USC 604, a final regulatory flexibility analysis has been prepared. It is available for public viewing as part of the full text of this decision, which may be obtained from the Commission or its copy contractor.

Paperwork Reduction

The rule amendment set forth here has been analyzed with respect to the Paperwork Reduction Act of 1980 and has been found to contain no new or modified form, information collection and/or recordkeeping, labelling, disclosure, or record retention requirements, and will not increase or decrease burden hours imposed on the public. Additionally, no new compliance requirements are being promulgated.

Ordering Clauses

Accordingly, it is ordered, that effective September 26, 1986, Part 90 of Commission's Rules, 47 CFR Part 90, is amended as shown at the end of this document. Authority for this action is found in sections 4(i) and 303 of the Communications Act of 1934, as amended, 47 U.S.C. 154(i) and 303. It is further ordered, that this proceeding is terminated.

List of Subjects in 47 CFR Part 90

Private land mobile radio services, Radio.

Part 90 of Chapter I of Title 47 of the Code of Federal Regulations is amended as follows:

PART 90—PRIVATE LAND MOBILE RADIO SERVICES

Subpart D—Industrial Radio Services

1. The authority citation for Part 90 continues to read as follows:

Authority: Secs. 4, 303, 48 Stat., as amended, 1066, 1082; 47 U.S.C. 154, 303, unless otherwise noted.

2. Section 90.81 is amended by revising paragraph (a), removing paragraph (d)(1), and revising paragraph (d)(4) to read as follows. In addition, all references to Limitation 1 are removed from the Table at paragraph (c).

§ 90.81 Telephone Maintenance Radio Service

(a) *Eligibility.* Communications common carriers engaged in the provision of landline local exchange telephone service, or interexchange communications service, or who provide wire-telegraph service, and radio communications common carriers authorized in the Point-to-Point Microwave Radio Service under Part 21 of this chapter are eligible to hold authorizations in the Telephone Maintenance Radio Service. Resellers that do not own or control transmission facilities are not eligible in this service.

* * * * *

(d) * * *

(1) [Reserved]

* * * * *

(4) This frequency is available on a shared basis in the Power, Petroleum, Forest Products, Manufacturers, and Telephone Maintenance Radio Services. It may be assigned only when all of the base and mobile frequencies in the 450–470 MHz band for which the applicant is primarily eligible are assigned within 35 miles (56 km) of the proposed base station. Applications for this frequency must be coordinated with all five services. Telephone Maintenance Radio Service licensees on this frequency authorized prior to September 26, 1986, including their successors or assigns in business, will be permitted to renew their authorizations indefinitely, increase the number of transmitters operated, and expand the geographic coverage area of their systems, without a showing that all of the base and mobile Telephone Maintenance Radio Service frequencies in this band are assigned within 35 miles (56 km) of the existing base station.

* * * * *

William J. Tricarico,

Secretary.

[FR Doc. 86-19612 Filed 8-28-86; 8:45am]

BILLING CODE 6712-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 661

[Docket No. 60477-6077]

Ocean Salmon Fisheries off the Coasts of Washington, Oregon, and California

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Notice of closure and inseason adjustment, and request for comments.

SUMMARY: The Secretary of Commerce (Secretary) announces the closure of the commercial salmon fishery in the fishery conservation zone (FCZ) from Cape Blanco, Oregon, to Point Delgada, California, at midnight, August 26, 1986, to ensure that the quota of 75,000 chinook salmon is not exceeded. The Secretary also announces a delay in the opening of the commercial salmon fishery for all species except coho in the FCZ from Sisters Rocks to Mack Arch, Oregon, until 0001 hours Pacific Daylight Time (PDT), August 29, 1986. The closure is necessary to conform to the preseason announcement of 1986 management measures. Since landings are allowed for 24 hours after the area closes, the two-day delay of the subarea opening is

necessary to provide a break between the fisheries to evaluate landings. These actions are intended to ensure conservation of chinook salmon.

EFFECTIVE DATES: Closure of the FCZ from Cape Blanco, Oregon, to Point Delgada, California, to commercial salmon fishing is effective at 2400 hours PDT, August 26, 1986. The opening of the FCZ from Sisters Rocks to Mack Arch, Oregon, to commercial salmon fishing for all species except coho is delayed until 0001 hours PDT, August 29, 1986. Comments on this notice will be received until September 9, 1986.

ADDRESSES: Comments may be mailed to Rolland A. Schmitten, Director, Northwest Region, NMFS, 7600 Sand Point Way N.E., BIN C15700, Seattle, WA 98115–0070; or E. Charles Fullerton, Director, Southwest Region, NMFS, 300 S. Ferry Street, Terminal Island, CA 90731–7415. Information relevant to this notice has been compiled in aggregate form and is available for public review during business hours at the Office of the NMFS Northwest Regional Director.

FOR FURTHER INFORMATION CONTACT: Rolland A. Schmitten at 206–526–6150, or E. Charles Fullerton at 213–514–6196.

SUPPLEMENTARY INFORMATION: Regulations governing the ocean salmon fisheries at 50 CFR Part 661 specify at § 661.21(a)(1) that "When a quota for the commercial or the recreational fishery, or both, for any salmon species in any portion of the fishery management area is projected by the Regional Director to be reached on or by a certain date, the Secretary will, by publishing a notice in the **Federal Register** under § 661.23, close the commercial or recreational fishery, or both, for all salmon species in the portion of the fishery management area to which the quota applies as of the date the quota is projected to be reached."

Management measures for 1986 were made effective on April 30, 1986 (51 FR 15620, May 5, 1986). The 1986 commercial fisheries in the FCZ from Cape Blanco, Oregon, to Point Delgada, California, were established as follows:

Subarea	Species	Season
Cape Blanco, OR to Point Delgada, CA.	All	June 16–19, June 23–26, June 30 through earlier of August 31, coho quota, or chinook quota.
	All except coho.	Coho quota through earlier of August 31 or chinook quota.
Sisters Rocks, OR to Chetco Point OR.	All except coho.	May 1 through earlier of June 7 of chinook subarea quota.
Sisters Rocks, OR to Mack Arch, OR.	All except coho.	Latest of August 7 or chinook quota through earlier of September 15 or chinook subarea quota.
South Jetty, Humboldt Bay, CA to Punta Gorda, OR.	All	September 8 through earlier of September 30 or chinook subarea quota.

The commercial fishery from Cape Blanco, Oregon, to Point Delgada, California, was closed to coho fishing effective midnight, July 24, 1986, when it was projected that the overall coho quota from Cape Falcon, Oregon, to Point Delgada, California, had been met (51 FR 26899, July 28, 1986). The commercial chinook quota from Cape Blanco, Oregon, to Point Delgada, California, originally set at 68,200 fish, has been adjusted twice by previous inseason action (51 FR 24352, July 3, 1986; 51 FR 26388, July 23, 1986) and is currently 75,000 fish. Based on the best available information, the commercial fishery catch in this area is projected to reach the 75,000 chinook quota by midnight, August 26, 1986.

The commercial fishery in the subarea from Sisters Rocks to Mack Arch, Oregon, is scheduled to open either the latest of August 7 or attainment of the commercial chinook quota for the area from Cape Blanco, Oregon, to Point Delgada, California. Although the overall area quota is projected to be reached by midnight, August 26, 1986, landings are allowed for 24 hours after closure. The subarea fishery from Sisters Rocks to Mack Arch, Oregon, is being delayed for two days to evaluate the number of chinook caught in the area between Cape Blanco, Oregon, and Point Delgada, California.

The delay in opening the subarea fishery is authorized under an emergency rule (51 FR 18451, May 20, 1986) extended through November 11, 1986 (51 FR 28717, August 11, 1986), which established inseason management provisions for the 1986 season. The emergency rule authorizes inseason adjustments to management measures if the adjustments are consistent with fishery regimes established by the U.S.-Canada Pacific Salmon Commission, ocean escapement goals, conservation of the salmon resource, any adjudicated treaty Indian fishing rights, and the ocean allocation scheme in the framework amendment. All inseason adjustments must be based on consideration of the following factors: (1) Predicted sizes of salmon runs; (2) harvest quotas and hooking mortality limits for the area and total allowable impact limitations if applicable; amount of recreational, commercial, and treaty Indian catch for each species in the area to date; (3) amount of recreational, commercial, and treaty Indian fishing effort in the area to date; (4) estimated average daily catch per fisherman; (5) predicted fishing effort for the area to the end of the scheduled season; and (6) other factors as appropriate.

The Director of the NMFS Northwest Region (Regional Director) consulted with the Chairman of the Pacific Fishery Management Council, the Directors of the Oregon Department of Fish and Wildlife (ODFW) and the California Department of Fish and Game (CDFG), and the Director of the NMFS Southwest Region regarding a closure of the commercial fishery from Cape Blanco to Point Delgada due to the projected attainment of the chinook quota. The Directors of ODFW and CDFG confirmed that Oregon and California will close the commercial fishery in State waters adjacent to this area of the FCZ effective 2400 hours PDT, August 26, 1986.

The Regional Director also discussed a delay in the opening of the commercial fishery for all species except coho from Sisters Rocks to Mack Arch, Oregon, until 0001 hours PDT, August 29, 1986 to evaluate landings in the area between Cape Blanco, Oregon, and Point Delgada, California. The Director of ODFW confirmed that Oregon will open the commercial fishery in State waters adjacent to this area of the FCZ effective 0001 hours PDT, August 29, 1986.

Therefore, the Secretary issues this notice to close the commercial fishery in the FCZ from Cape Blanco, Oregon, to Point Delgada, California, at 2400 hours PDT, August 26, 1986. Based on the determination that the delay in reopening is consistent with the criteria in the emergency rule, the Secretary also issues this notice to delay the opening of the commercial fishery in the FCZ from Sisters Rocks to Mack Arch, Oregon, until 0001 hours PDT, August 29, 1986.

This notice does not apply to other fisheries which may be operating in other areas.

Other Matters

This action is taken under the authority of 50 CFR 661.23 and is in compliance with Executive Order 12291.

List of Subjects in 50 CFR Part 661

Fisheries, Fishing, Indians.

Dated: August 26, 1986.

Carmen J. Blondin,

Deputy Assistant Administrator for Fisheries Resource Management, National Marine Fisheries Service.

[FR Doc. 86–19643 Filed 8–26–86; 4:48 pm]

BILLING CODE 3510-22-M

Proposed Rules

Federal Register
Vol. 51, No. 168
Friday, August 29, 1986

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

DEPARTMENT OF AGRICULTURE

Animal and Plant Health Inspection Service

9 CFR Part 151

[Docket No. 86-077]

Recognized Breeds and Books of Record

AGENCY: Animal and Plant Health Inspection Service, USDA.

ACTION: Proposed rule.

SUMMARY: This document proposes to amend the "Recognition of Breeds and Books of Record of Purebred Animals" regulations by adding the Wielkopolskich breed of horses and the Ksiega Stadna Koni Wielkopolskich book of record to the list of "recognized breeds and books of record." It has been determined that the Wielkopolskich breed of horses and the Ksiega Stadna Koni Wielkopolskich book of record qualify for such listing, thereby allowing duty-free entry into the United States of horses which are registered in the book.

DATE: Written comments must be received on or before October 28, 1986.

ADDRESS: Written comments concerning this proposed rule should be submitted to Steven R. Poore, Acting Assistant Director, Regulatory Coordination, APHIS, USDA, Room 728, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782. Comments should state that they are in response to Docket Number 86-077. Written comments received may be inspected at Room 728 of the Federal Building between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays.

FOR FURTHER INFORMATION CONTACT: Dr. Robert E. Wagner, Regulatory Communications and Compliance Policy Staff, VS, APHIS, USDA, Room 827, Federal Building, 6505 Belcrest Road, Hyattsville, MD 20782, 301-436-8565.

SUPPLEMENTARY INFORMATION:

Background

Item 100.01 in Part 1, Schedule 1, of 19 U.S.C. 1202 (the Tariff Act of 1930, as amended) provides, in part, that animals (except for certain foxes) certified to the collector of customs by the Department of Agriculture as being pure bred of a recognized breed and duly registered in a book of record recognized by the Secretary of Agriculture for that breed, may enter the United States free of duty if imported for breeding purposes. Implementing regulations, captioned "Recognition of Breeds and Books of Record of Purebred Animals" (referred to below as the regulations), are set forth in 9 CFR Part 151.

In accordance with § 151.2 of the regulations, Veterinary Services issues certificates of pure breeding for certain animals. To be eligible for a certificate, an animal must be "purebred of a recognized breed and have been registered in good faith in a book of record listed in § 151.9(a) [of the regulations] and must not have been registered on inspection without regard to purity of breeding." The regulations contain lists of "recognized breeds and books of record" for cattle, horses, asses, sheep, goats, swine, dogs, and cats.

This document proposes to amend the list of "recognized breeds and books of record" in § 151.9(a) of the regulations by adding the Wielkopolskich breed of horses as a recognized breed and by adding as the book of record the Ksiega Stadna Koni Wielkopolskich book issued by the Warm Blood & Full Blood Breeders of the Great Polish Horses, Pulewski 14, 02-152 Warsaw, Poland.

Under the regulations, purebred horses are those which are the progeny of known and registered ancestors of the same recognized breed and for which at least three generations of ancestry can be traced. A "book of record" is defined in the regulations as: "[a] printed book or an approved microfilm record sponsored by a registry association and containing breeding data relative to a large number of registered purebred animals used as a basis for the issuance of pedigree certificates." The regulations also provide that a book of record for a breed of animal must be examined and approved by Veterinary Services before the breed and book of record are eligible to be added to the list contained in the regulations.

The custodian of the book of record for Wielkopolskich horses has submitted to Veterinary Services a complete copy of the book of record with a copy of all rules and forms affecting the registration of the animals in the book of record. A representative of Veterinary Services has reviewed the material submitted and has determined that both the breed and book of record meet the requirements of the regulations for addition to the list of "recognized breeds and books of record."

Executive Order 12291 and Regulatory Flexibility Act

This action has been reviewed in conformance with Executive Order 12291 and has been determined to be not a "major rule." The Department has determined that this action would not have a significant effect on the economy; would not cause a major increase in costs or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; and would have no significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

For this action, the Office of Management and Budget has waived its review process required by Executive Order 12291.

If the proposal is adopted as a final rule, Wielkopolskich horses will be eligible for duty-free importation into the United States. It is anticipated that the number of Wielkopolskich horses imported into the United States annually would be less than one percent of the total number of horses imported into the United States annually.

Under the circumstances explained above, the Administrator of the Animal and Plant Health Inspection Service has determined that this action would not have a significant economic impact on a substantial number of small entities.

Executive Order 12372

This program/activity is listed in the Catalog of Federal Domestic Assistance under No. 10.025 and is subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. (See 7 CFR 3015, Subpart V).

List of Subjects in 9 CFR Part 151

Animals, Animal pedigree, Imports, Purebred animals.

PART 151—RECOGNITION OF BREEDS AND BOOKS OF RECORD OF PUREBRED ANIMALS

Accordingly, 9 CFR Part 151 would be amended as follows:

1. The authority citation for Part 151 would continue to read as follows:

Authority: 19 U.S.C. 1202; 7 CFR 2.17, 2.51, and 371.2(d).

2. In § 151.9, the chart in paragraph (a) would be amended by adding the following after Code 2303 under the heading "Horses":

§ 151.9 Recognized breeds and books of record.

* * * * *

(a) * * *

HORSES

Code	Name of breed	Book of record	By whom published
2240	Wielkopolskich	Ksiega Stadna Koni Wielkopolskich.	Warm Blood & Full Blood Breeders of the Great Polish Horses, Pulewski 14, 02-152 Warsaw, Poland.

Done at Washington, DC, this 19th day of August 1986.

J. K. Atwell,

Deputy Administrator, Veterinary Services.

[FR Doc. 86-19577 Filed 8-28-86; 8:45 am]

BILLING CODE 3410-34-M

NUCLEAR REGULATORY COMMISSION

10 CFR Parts 19, 20, 30, 31, 32, 34, 40, 50, 61, and 70

Standards for Protection Against Radiation; Availability of Supplemental Information

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed rule; availability of supplemental information.

SUMMARY: On January 9, 1986, the Nuclear Regulatory Commission published for public comment a proposed revision of its radiation protection standards, 10 CFR Part 20. If implemented, that rule would require changes in the radiation protection procedures at nuclear power reactors and other NRC-licensed activities. Section 50.109 of the Commission's regulations requires that a backfit analysis be prepared for proposed NRC regulations that require changes to operating procedures for nuclear power reactor facilities licensed by the Commission under 10 CFR Part 50. This notice provides such an analysis for the proposed revision of 10 CFR Part 20 and solicits public comment on it.

DATES: Comments on this backfit analysis must be submitted in writing on or before October 31, 1986. Comments received after this date will be considered if it is practical to do so, but assurance of consideration cannot be given except as to comments filed on or before this date. The comment period for the proposed Part 20 revision is being extended to this same date, thereby providing more than 60 days of concurrent comment period.

ADDRESSES: Submit written comments or any other information concerning this matter to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Docketing and Service Branch. Copies of the proposed revision of 10 CFR Part 20 and the accompanying Regulatory Analysis that supports this Backfit Analysis may be examined, and copied for a fee, at the Commission's Public Document Room at 1717 H Street, NW, Washington, DC. Single copies of these documents may be obtained from the person indicated under the **"FOR FURTHER INFORMATION CONTACT"** heading.

FOR FURTHER INFORMATION CONTACT: Robert E. Alexander, Division of Regulatory Applications, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555, Telephone (301) 443-7976.

SUPPLEMENTARY INFORMATION:

I. Background

A. Part 20 Revision

The Commission's primary standards governing radiation protection requirements for its licensees are given in 10 CFR Part 20. The original Part 20 was issued on January 29, 1957 (22 FR 548). Although about 100 amendments to 10 CFR Part 20 have been made since that time, this is the first complete revision of these regulations in over 25 years. This revision will bring the Commission's radiation protection standards into accord with current recommendations of the International Commission on Radiological Protection (ICRP). The revision is also consistent with "Radiation Protection Guidance to Federal Agencies for Occupational Exposure," which has been prepared for the signature of the President under the leadership of the Environmental Protection Agency.

On March 30, 1980, the Commission published an Advance Notice of Proposed Rulemaking (45 FR 18023) announcing its initation of a rulemaking proceeding for the purpose of updating its radiation protection standards. The notice described in detail the elements being considered for incorporation into the proposed rule and solicitated public comment thereon. About 70 responses were received in response to this notice. In addition, numerous meetings were held between the cognizant NRC staff members preparing the revision and groups associated with States, unions, the nuclear industry, licensees, public interest groups, radiation protection organizations, and other Federal agencies. On December 20, 1985, the Commission published a proposed revision of Part 20 in the **Federal Register** (50 FR 51992). A corrected version was published in the **Federal Register** on January 9, 1986 (51 FR 1092). There is an ongoing public comment period on the proposed rule.

B. The Backfit Rule

On September 20, 1985, the Commission published a final rule (50 FR 38097), commonly called the "backfit rule" (10 CFR 50.109), which sets forth requirements on imposing new or amended requirements on nuclear power reactor facilities licensed by the Commission under 10 CFR Part 50. This regulation sets forth the following requirements, among others:

1. (Section 50.109(a)(2)) "The Commission shall require a systematic and documented analysis pursuant to paragraph (c) of this section for backfits which it seeks to impose."

2. (Section 50.109(a)(3)) "The Commission shall require the backfitting of a facility only when it determines, based upon the analysis described in paragraph (c) of this section, that there is a substantial increase in the overall protection of the public health and safety or the common defense and security to be derived from the backfit and that the direct and indirect costs of

implementation for that facility are justified in view of the increased protection."

In order to reach this determination, § 50.109(c) sets forth certain factors that are to be considered in the backfit analysis. These factors and the accompanying analyses are presented in section II of this notice.

II. Draft Backfit Analysis

The proposed rivision to 10 CFR Part 20 is not anticipated to requrie physical modification to nuclear power reactors (or other licensed facilities). However, the definition of a "backfit" in § 50.109(a)(1) includes the modification of or addition to the procedures or organization required to design, construct or operate a nuclear power reactor facility. Even though the Part 20 rule is applicable to all NRC licensees and therefore is broader in scope than the "Backfit Rule," it would result in the need for revisions in the operating procedures dealing with radiation protection at nuclear power reactor facilities licensed under 10 CFR Part 50 and, consequently, a backfit analysis is to be performed for power reactor facilities.

Paragraph 50.109(c) requires consideration of the priority and scheduling of the action under consideration in light of other regulatory activities. Implementation of the proposed revision of 10 CFR Part 20 should not significantly affect any other backfits or safety-related activities. In order to minimize the impact of the retraining and revisions of procedures, the proposed implementation period of the Part 20 revision extends over a five-year period. Therefore the changes required to implement the Part 20 revision would not conflict with and do not need to be further prioritized with respect to other activities at nuclear power plants.

Paragraph 50.109(c) of the backfit rule also sets forth certain factors which are to be considered in the backfit analysis. These factors and how the proposed Part 20 revision relates to each are summarized below. These summary statements are based on the Regulatory Analysis which describes the anticipated benefits and anticipated costs that would be associated with the implementation of the proposed revision, were it to be adopted. This Regulatory Analysis is the primary source of the estimates of the benefits and the impacts described in this draft backfit analysis and is incorporated as part of this draft backfit analysis. Copies of the Regulatory Analysis are available for inspection in the Public Document room (see "ADDRESSES") and single copies are available from the NRC staff contact.

1. Statement of Specific Objectives to be Achieved

The proposed revision of 10 CFR Part 20 intended to:

a. Update the quarter-century-old 10 CFR Part 20 to incorporate advances in science and new concepts of radiation protection methodology and philosophy;

b. Implement pending Federal Radiation Guidance on occupational radiation protection;

c. Implement the principal current dose-limiting recommendations of the ICRP;

d. Incorporate the ICRP "effective dose equivalent" concept;

e. Update the limits on airborne radionuclide intakes, effluent releases and doses from inhaled or ingusted radionuclides using up-to-date metabolic models and dose factors; and

f. Require that licensees have programs for keeping radiation exposures "as low as is reasonably achievable" (ALARA).

2. General Description of the Actions to be Required of the Licensee or Applicant

The principal new or additional actions that would be required of licensees by the proposed 10 CFR Part 20 revisions are to:

a. Sum, under some circumstances, the estimated dose from radionuclides external to the body and from radionuclides deposited in the body;

b. If not previously done, provide documentation of programs for keeping exposures "as low as is reasonably achievable";

c. Provide increased protection for the embryo/fetus when female workers declare themselves pregnant;

d. Employ the latest ICRP limits on airborne radionuclide intakes, effluent releases and does from inhaled or ingested radionuclides; and

e. Modify training guides, operating procedures, and manuals to incorporate the new concepts and requirements and provide retraining of employees on these concepts and their implementation.

3. Change in the Risk to the Public from Accidental Off-Site Release of Radioactive Material

10 CFR Part 20 generally applies only to normal off-site releases of radioactive material, so there would be no direct impact on risks associated with accidental releases of radioactive materials.

4. Potential Impact on Radiological Exposure of Facilty Employees

The principal impact of the revision would be to assure significantly better and more-up-to-date worker protection. The added protection result from the following:

a. The limit for annual worker doses would be 5 rems (effective whole-body dose) per year. Workers are permitted to receive 12 rems per year (3 rems per quarter) under the current Part 20 providing that the worker's average dose does not exceed 5 rems per year. Between 200 and 400 workers receive more than 5 rems per year under the existing rule. The Part 20 revision would provide for Planned Special Exposures which would allow worker doses to exceed 5 rems per year, but only under very stringently controlled conditions.

b. The worker dose limit for extremities would be reduced from 75 to 50 rems per year.

c. A limit would be placed on the dose to the embryo/fetus. There is currently no specific limit in the NRC regulations to protect the embryo/fetus.

d. Allowable intakes of radionuclides would be based upon the latest radiobiological, metabolic, and dosimetric data. For a number of radionuclides the intake limits would be lowered.

e. Doses would be limited by considering both internal and external radiation doses added together rather than evaluating them separately as allowed by the present rule.

f. Dose limits would be expressed as the sum of organ doses weighted by the comparative biological risk of the organ. These limits would therefore be based on a better characterization of the predicted biological effect on the body organs.

g. More effort would be required of some licensees to formulate and implement programs to keep worker exposures "as low as is reasonably achievable" (ALARA).

5. Installation and Continuing Costs, Including the Cost of Facility Downtime or the Cost of Construction Delays

There should be little or no costs associated with facility downtime or construction delays. The Part 20 changes apply primarily to operational procedures and should cause only minor revisions, if any, in facility design or in shielding. The initial and annual costs associated with various provisions in the revision are discussed and analyzed in the Regulatory Analysis and are summarized in the notice of proposed rulemaking (51 FR 1121). The total

estimated costs for all affected licensees are $33 million for initial implementation and $7.8 million additional costs per year thereafter. Of these amounts, a $13.1 million initial cost and $2.5 million annual cost are estimated to apply to nuclear power reactors. These costs may be reduced as a result of the five-year implementation period mentioned in the proposed revision.

6. Potential Safety Impact of Changes in Plant or Operational Complexity, Including Relationships to Proposed and Existing Regulatory Requirements

Any safety impacts and changes in plant complexity would be negligible, since the proposed rule should not entail changes in plant design. Some of the proposed changes could increase operational complexity. However, once the new procedures are fully implemented they are expected to become routine.

The impact of modifying operating procedures, manuals, and records would be minimized by a five-year implementation period during which licensees may develop the necessary new procedures, manuals, and, records and convert to the new system at any time most convenient to the licensee.

7. The Estimated Resource Burden on the NRC and the Availability of These Resources

Costs to the NRC would primarily be associated with the preparation of new regulatory guides for implementing the new procedures and revising existing regulatory guides, branch technical positions, and inspection procedures to reflect the Part 20 revisions. It has been estimated that this effort would consist of 5 to 7 new regulatory guides requiring 0.2 staff-years per guide or 1 to 1.4 staff-years total and approximately $350K of technical support effort. At least seven existing regulatory guides would require revision, resulting in an additional staff-year of effort. It is estimated that approximately one staff-year would be required in both the Office of Nuclear Material Safety and Safeguards (NMSS) and the Office of Nuclear Reactor Regulation (NRR) to modify license conditions and technical specifications to comply with the proposed revision.

The largest impact in NRC would be in the Office of Inspection and Enforcement and the NRC Regional Offices to revise inspection procedures and to train inspectors on the new regulations and procedures. It is estimated that this would require about 5 staff-years total. Once the new procedures are in place, there should not be any significant resource expenditures above current levels.

These impacts would be spread over the 5-year implementation period. For this reason and the fact that the impact would be distributed over several NRC offices, the Part 20 implementation should not have a major impact on NRC programs.

8. Potential Impact of Differences in Facility Type, Design, or Age on the Relevancy and Practicality of the Proposed Action

Since the proposed revisions principally affect operating procedures rather than facility physical design, there would be no significant impact from differences in facility type, design or age.

9. Are the Proposed Revisions Interim or Final and if Interim, What is the Justification for Imposing Them on an Interim Basis

The proposed rule, with modifications, is intended to be issued as a final rule.

Other Factors

The Environmental Protection Agency, in cooperation with NRC and other Federal Agencies, has prepared revised Federal guidance on radiation protection for workers. This guidance, if approved by the President, would greatly influence the formulation of occupational radiation protection standards. The proposed Part 20 modifications would implement the new guidance. If the Part 20 revision is not adopted, NRC regulations would not be consistent with the new Federal guidance and the regulations of other Federal agencies.

Conclusion

The proposed revisions will provide improved public health protection by virtue of:

- Limiting routine annual occupational doses to 5 rems and deleting the present 5(N–18) formula option which allows doses up to 12 rems per year;
- Imposing a limit on radiation doses to the embryo-fetus. (No specific limit exists in the present Part 20 for the embryo-fetus);
- Updating the radionuclide intake limits based upon current scientific data, including substantially lower limits for several radionuclides such as uranium. (Part 20 now relies upon more than 25-year-old methodology and information);
- Providing limits for the combined doses from both internal and external radiation sources. (The current Part 20 permits the evaluations to be done separately);
- Incorporating the "effective dose" concept whereby organ doses are weighted by their relative health risk and summed to give a risk-equivalent dose. (The current Part 20 uses the "critical organ" concept and does not consider doses to organs other than the critical organ in setting allowable limits on radionuclide intake); and
- Requiring licensees to develop and implement a program and procedures for keeping radiation exposures "as low as is reasonably achievable" or "ALARA." (Except for LWR effluent releases subject to Appendix I of 10 CFR Part 50, the present regulations exhort the licensee to keep radiation exposures "ALARA", but do not make this a requirement.)

In spite of these expected improvements, the Commission's analysis does not show unequivocally that the direct and indirect costs of implementation are justified in view of the increased protection. However, the Commission believes that there are additional relevant and material factors not amenable to quantitative cost comparisons and having significant bearing on this issue, including:

- Incorporation of updated Presidential guidance on radiation protection;
- Consistency with international standards, particularly with regard to international commerce.
- Updating the technical basis for the Part 20 limits; and
- Consistency of the methods and technical approaches for radiation protection regulations and those for current risk assessment methodologies.

Because of the public health improvements and the additional qualitative factors bearing on the issue described above, the Commission believes that the rule should be promulgated even though it may not provide a substantial increase in the overall protection of the public health and safety for the common defense and security. In addition, the Commission has tentatively concluded, pending consideration of public comments, that when all factors, qualitative as well as quantitative, are taken into consideration, the benefits to be derived from the proposed revision of Part 20 justify the direct and indirect costs of its implementation. However, this decision and the Commission's decison regarding the cost-benefit balancing and conformance of the proposed Part 20 revision to the "Backfit Rule" are tentative pending receipt of public comments on these issues.

III. Request for Comments

The Commission solicits public comment on:

(1) The draft Backfit Analysis for the proposed revision of Part 20;

(2) Whether the Commission has adequately implemented § 50.109 as it applies to the proposed Part 20 revision;

(3) Whether the proposed revision of 10 Part 20 would provide a substantial increase in the overall protection of public health and safety that will justify the direct and indirect costs of implementing this rule; and

(4) Whether, because of other factors which support the proposed Part 20 revision, the application of § 50.109(a)(3) should be suspended for this rulemaking if it is found that the proposed amendments do not meet the criteria in that section.

In addition to the above questions, Commissioner Bernthal also would like comments on the following two issues:

1. In regard to the Backfit Analysis, comment is solicited on whether criteria for Commission suspension of the "substantial increase" threshold should be developed and made subject to rulemaking.

2. Comment is also solicited on whether the Backfit Rule, given its evident defects and limitations in such cases, should continue to be applied at all to Commission rulemaking per se.

IV. Additional Comments of the NRC Commissioners

Commissioner Roberts' Views

Commissioner Roberts disapproved the proposed revision to Part 20 because the backfit analysis could not demonstrate that the changes would provide a "substantial" reduction in the radiation dose received by workers and members of the public.

Commissioner Asselstine's Views

I approve the publication of this Backfit Analysis for the purpose of obtaining public comment on the adequacy of the Commission's compliance with its Backfit Rule. The NRC staff has written that it ". . . does not believe that the Part 20 revision will provide a 'substantial' change in the radiation doses received by workers and members of the public." (See SECY–86–48A, page 2, "Backfit Analysis for Proposed Revision of 10 CFR Part 20" dated May 19, 1986.) The Commission's Backfit Rule (10 CFR 50.109) requires a two prong test to be met before the Commission can promulgate a new or revised regulation such as the Part 20 proposed revisions. One of the required tests contained in 10 CFR 50.109(a)(3) is that any revision to the Commission's regulations affecting part 50 licensees must provide ". . . a substantial increase in the overall protection of the public health and safety . . ." Given the above conclusion of the staff that this threshold is not met in the proposed revision to Part 20, the Commission is here asking the public whether the application of the threshold standard in 10 CFR 50.109(a)(3) should be suspended for the Part 20 revisions. I would particularly appreciate receiving comments from those that believe the threshold standard should be suspended as to why the Part 20 rulemaking deserves special treatment under the Backfit Rule. In addition, I would appreciate comments on whether the Commission should develop criteria governing when the Commission will or will not apply the threshold standards of 10 CFR 50.109(a)(3) and whether such criteria should be subjected to rulemaking.

Commissioner Bernthal's Views

The public should be aware of the fact that the Commission has for nearly a year attempted to adapt the Backfit Rule to *all* rulemaking, even rulemaking that has nothing to do with powerplant hardware and the original intent of the Backfit Rule. This rulemaking and the accompanying analysis illustrates the difficulty. When applied to human-factors and certain other rulemaking, the Backfit Rule continues to exact NRC resources wholly disproportionate to any conceivable benefit to the public.

The record already shows cases where the Commission has been forced to sidestep a strict reading of the cost-benefit requirements of the Backfit Rule, when it nevertheless finds broad agreement that a rulemaking is in the public interest (e.g. in the case of conversion of non-power reactors from HEU [Highly Enriched Uranium] to LEU [Low Enriched Uranium]).

I therefore believe the public may wish to comment directly on the question of whether the Commission should continue its attempts to apply the Backfit Rule to all rulemaking, or whether the Rule should be revoked as it applies to rulemaking activity *per se*.

Alternatively, the public may wish to consider whether the Commission should amend the Backfit Rule to indicate explicitly that non-monetary benefits may be weighed by the Commission in the cost-benefit balance, when such considerations are found by the Commission to be in the public interest.

Dated at Washington, DC, this 26th day of August, 1986.

For the Nuclear Regulatory Commission.

Samuel J. Chilk,

Secretary of the Commission.

[FR Doc. 86–19624 Filed 8–28–86; 8:45 am]

BILLING CODE 7590–01–M

---

10 CFR Parts 19, 20, 30, 31, 32, 34, 40, 50, 61 and 70

Standards for Protection Against Radiation; Extension of Comment Period

AGENCY: Nuclear Regulatory Commission.

ACTION: Proposed rule; extension of comment period.

SUMMARY: On January 9, 1986, the Nuclear Regulatory Commission published for public comment a proposed revision of its radiation protection standards, 10 CFR Part 20. This Notice extends the comment period from September 12, 1986 to October 31, 1986 in order to be coincident with the comment period for the draft backfit analysis for this proposed rulemaking that is being published elsewhere in this issue.

DATE: Comments on the proposed revision must be submitted in writing on or before October 31, 1986. Comments received from this date will be considered if it is practical to do so, but assurance of this consideration cannot be given except as to comments filed on or before this date. The comment period on the proposed backfit analysis for this rule also ends on this date.

ADDRESSES: Submit written comments or any other information concerning this matter to the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC. 20555, Attention: Docketing and Service Branch. Copies of the proposed revision of 10 CFR Part 20 and the accompanying regulatory analysis that support this backfit analysis may be examined and copied for a fee at the Commission's Public Document Room, 1717 H Street, NW., Washington, DC. Single copies of these documents may be obtained from the person indicated under the **"FOR FURTHER INFORMATION CONTACT"** heading.

FOR FURTHER INFORMATION CONTACT: Robert E. Alexander, Division of Regulatory Applications, Office of Nuclear Regulatory Research, U.S. Nuclear Regulatory Commission, Washington, DC 20555, telephone (301) 443–7976.

SUPPLEMENTARY INFORMATION: The Nuclear Regulatory Commission is

proposing to revise its regulations pertaining to radiation protection standards. The proposed revision was published in the **FEDERAL REGISTER** on January 9, 1986 (51 FR 1092). In that document (51 FR 1122), the Commission indicated that it was publishing the proposed Part 20 revision without waiting for the preparation of a backfit analysis in accordance with § 50.109 of 10 CFR Part 50. The Commission noted that such an analysis could be prepared and, if necessary, public comment on the backfit analysis could be obtained at a later date. A draft backfit analysis is published elsewhere in this issue of an Federal Register. The change in the comment period on the proposed Part 20 revision, extending it to October 31, 1986, is coincident with the comment period on the draft backfit analysis and will provide at least 60 days of concurrent comment period for both documents.

Dated Washington, DC, this 26th day of Augnst, 1986.

For the Nuclear Regulatory Commission.

Samuel J. Chilk,

Secretary of the Commission.

[FR Doc. 86-19625 Filed 8-28-86; 8:45 am]

BILLING CODE 7590-01-M

FEDERAL HOME LOAN BANK BOARD

12 CFR Parts 545 and 563

[No. 86-854-A]

Nationwide Lending and Loan Participation Requirements; Withdrawal of Proposed Rule

Dated: August 15, 1986.

AGENCY: Federal Reserve System.

ACTION: Proposed rule; withdrawal.

SUMMARY: The Federal Home Loan Bank Board (Board) is withdrawing the nationwide lending and loan particpation portion of its proposals of May 9, 1986, 51 FR 17634, May 14, 1986. The Board is withdrawing these proposals pending further staff study of issues raised by the comments.

DATE: This withdrawal is effective August 15, 1986.

FOR FURTHER INFORMATION CONTACT: Joseph A. McKenzie, Director, Policy Analysis Division, Office of Policy and Economic Research, (202) 377-6763; Diana Garmus, Financial Analyst, Office of Examinations and Supervision, (202) 377-6820; or C. Dawn Causey, Attorney, Regulations and Legislation Division, Office of General Counsel, (202) 377-6472, Federal Home Loan Bank Board, 1700 G Street, NW., Washington, DC. 20552.

SUPPLEMENTARY INFORMATION: The Federal Home Loan Bank ("Board") on May 9, 1986, proposed to reinstitute requirements for nationwide lending and loans participations and to expand existing loan recordkeeping requirements. Board Res. No. 86-471, previously adopted as Board Res. No. 86-429 on April 24, 1986, 51 FR 17634 (May 14, 1986). The proposal would have (1) limited the amount of whole loans secured by collateral [other than first liens on owner-occupied homes) located outside the normal lending territories ("nationwide loans") of insured institutions that they could purchase or originate without the prior approval of the Principal Supervisory Agent; (2) limited the ability of insured institutions to participate in originating secured loans or to purchase participation interests in such loans without the prior approval of the principal Supervisory Agent; and (3) expanded and clarified the Board's existing minimum recordkeeping requirements for loans, loan purchases and participations, and timeshare loans in accordance with the existing requirement that records be accurate and complete. The Board by separate action is adopting as a final rule with modifications the loan recordkeeping portion of the proposal.

In response to the comments received, the Board is withdrawing the nationwide lending and loan participation portions of the proposal pending further staff study of the issues raised by the commenters. Specifically, commenters suggested that the nationwide lending portion of the proposal addressed the wrong aspect of the problem of asset quality. They urged that the asset quality problem is related to loan underwriting, not loan location. In addition, concerns were raised over the potential inhibition of the secondary market and the availability of credit. Commenters addressing the loan participation portion of the proposal expressed serious concern over the requirement for divestiture of participation interests and the potential conflict between the proposed retainage requirements and the Board's loans-to-one-borrower rule. Commenters also opposed the proposed waiver procedure as unworkable and as adding an element of delay to the lending process. The Board is persuaded that commenters have raised substantial issues that require further study before the Board decides what action, if any, to take on nationwide lending and loan participations. The Board is therefore withdrawing the portions of its proposal concerning nationwide lending and loan participations. Should the Board decide to act in the future on nationwide lending or loan participations, it will repropose any such action for public comment.

A few commenters petitioned the Board for a public hearing on the nationwide lending and loan participation portions of the proposal. Because the Board intends to repropose for public comment any action that might in the future seem desirable, it is unnecessary at this time to grant the petitions for a public hearing, and the Board hereby denies them. Should the Board repropose action on these subjects, petitioners may renew their requests for a public hearing if they so desire.

By the Federal Home Loan Bank Board.

Jeff Sconyers,

Secretary.

[FR Doc. 86-19595 Filed 8-28-86; 8:45 am]

BILLING CODE 6720-01-M

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 86-AWA-30]

Proposed Alteration of Detroit, MI, Terminal Control Area

Correction

In FR Doc. 86-18152, beginning on page 28956, in the issue of Wednesday, August 13, 1986, make the followiing corrections:

1. On page 28957, in the first column, in the Authority citation, second line, "10645" should read "10854"; and

§71.401 [Corrected]

2. On the same page and column, the last paragrph of § 71.401(b) should be corrected to read as follows:

In Area D, wherever "050° radial" appears substitute "047°T (050°M) radial", wherever "323° radial" appears substitute "317°T (323°M) radial", wherever "226° radial" appears substitute "220°T (226°M) radial" and wherever "200° radial" appears substitute "197°T (200°M) radial".

BILLING CODE: 1505-01-M

14 CFR Part 75

[Airspace Docket No. 86-ASO-5]

Proposed Alteration of Jet Route J-89-GA

Correction

In FR Doc. 86-18150 beginning on page 28957, in the issue of Wednesday,

August 13, 1986, make the following correction:

On page 28958, in the first column, in the fourth line from the bottom, "7600.6B" should read "7400.6B".

BILLING CODE: 1505-01-M

FEDERAL TRADE COMMISSION

16 CFR Part 444

Trade Regulation Rule; Credit Practices

AGENCY: Federal Trade Commission.

ACTION: Request for exemption from trade regulation rule by the State of California Attorney General.

SUMMARY: The Federal Trade Commission hereby publishes for comment a request from the State of California for an exemption from that portion of the Commission's trade regulation rule on Credit Practices that pertains to cosigners, 16 CFR 444.3 (1984) (Credit Practices Rule).

Interested persons are invited to comment on the State of California's exemption request summarized below, and on certain issues raised by the request that are identified below. At the end of the comment period, the Commission staff will review the comments received and make a recommendation to the Commission as to whether the requested exemption should be granted. The Commission will publish its decision to grant or deny the exemption.

DATE: Comments are invited and must be received on or before October 28, 1986.

ADDRESS: Comments on the Request for Exemption of the State of California should be sent to: Secretary, Federal Trade Commission, Washington, DC 20580.

Comments should be captioned: "California Petition for Statewide Exemption from the Credit Practices Rule."

Copies of the Petition can be obtained from the Public Reference Room, Room 130, Federal Trade Commission, 6th and Pennsylvania Avenue, NW., Washington, DC 20580, (202) 523–3598.

FOR FURTHER INFORMATION CONTACT: David G. Grimes, Jr., Division of Credit Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580 (202) 724–1156.

SUPPLEMENTARY INFORMATION: The Credit Practices Rule states that it is unfair for a creditor in a transaction subject to the Rule [1] to include in a contract a provision that constitutes or contains a confession of judgment or similar waiver; a waiver of exemptions; an assignment of wages (with certain limited exceptions); or a non-purchase money security interest in household goods. The Rule also states that it is deceptive for a creditor to misrepresent a cosigner's liability and unfair for a creditor to fail to disclose the cosigner's liability. The Rule requires that a particular notice be provided to potential cosigners and states that a creditor complying with that disclosure provision does not violate the prohibition against unfair and deceptive statements concerning the cosigner's liability. The Rule states that it is an unfair practice for a creditor to assess multiple late fees when the only delinquency is the failure to pay a previously assessed late fee.

The Credit Practices Rule provides (Rule § 444.5, 16 CFR 444.5) that if a state applies for an exemption from a provision of the Rule, such exemption will be granted if the Commission determines that: (1) There is in effect a state requirement or prohibition that applies to any transaction to which a provision of the Credit Practices Rule applies; and (2) the state requirement or prohibition affords a level of protection to consumers that is substantially equivalent to, or greater than, the protection afforded by the Rule's provision. Such an exemption will continue for so long as the state effectively administers and enforces its law. The result of the exemption is that the exempted provision of the Credit Practices Rule is not in effect in that state.[2]

The State of California asserts that the California Civil Code § 1799.90 *et. seq.*, the California Business and Professions Code, § 17200 *et. seq.*, and the state enforcement scheme meet the standards for exemption contained in the Rule and requests an exemption from § 444.3 of the Rule, the section pertaining to unfair or deceptive cosigner practices, on that basis.

Pursuant to § 1.16 of the Commission's Rules of Practice, the Commission has determined to publish the exemption request for public comment for 60 days to receive information from the public on whether the state requirements meet the Rule's criteria for exemption.

As set forth in 16 CFR 444.5, the Commission will evaluate in the context of an exemption proceeding appropriate state petitions for exemption to determine whether the level of protection afforded to consumers under the state law is substantially equivalent to the Credit Practices Rule and whether the state law is administered and enforced effectively. As explained in the staff guidelines, the exemption proceeding will be conducted pursuant to § 1.16 of the Commission's Rules of Practice.[3]

As indicated by the Commission in the Rule's Statement of Basis and Purpose,

> the requirement in [16 CFR] § 444.5 that a comparable state requirement be "substantially equivalent" to the Commission rule provision does not, in our view, require that the state requirement mirror exactly the Commission provision. Any differences that exist, however, should be so minor as not to deprive consumers of the level of protection guaranteed by the Commission Rule nor to complicate significantly compliance by interstate creditors. [footnote omitted] Other factors that will be considered by the Commission in determining whether an exemption is warranted include the resources committed by the state to enforce its provisions, and the extent of any private rights of action available to aggrieved consumers (49 FR 7740, 7783).

Contents of the California Submission

The Attorney General of the State of California has provided a copy of the relevant state statutes and a narrative statement comparing and explaining how state law and the Rule would apply to the same transaction. The Attorney General has also expressed his conclusion, based on the information he has submitted, that California law affords greater protection to consumers than does the cosigner provision of the Commission's Rule. The submission is signed by the Deputy Attorney General.

[1] The Federal Trade Commission does not have jurisdiction over banks or federally-chartered or insured savings and loan associations, so transactions by those creditors are not subject to the Rule. However, the Federal Reserve Board and the Federal Home Loan Bank Board have adopted substantially similar rules for those institutions. The FRB's rule and the FHLBB's rule may be found at 50 FR 16695 (April 29, 1985) (codified at 12 CFR Part 227) and 50 FR 19325 (May 8, 1985) (codified at 12 CFR Part 535), respectively.

[2] To assist the states in applying for exemptions, the FTC has published staff guidelines for exemption proceedings under the Credit Practices Rule at 50 FR 19335, May 8, 1985.

[3] The staff guidelines also state that additional procedures for public participation may be scheduled if necessary for a full and fair presentation of significant factual issues, such as when cross-examination is necessary. The guidelines list the information that should be contained in any request for such additional procedures. Any such request should be sent to the Office of the Secretary, Federal Trade Commission, Washington, DC 20580.

California Law as Described in the Submission

A. Summary of Provisions of California Law

The petition cites the California Civil Code, section 1799.91, which contains a requirement that a "Notice to Cosigner" be given to certain persons who enter into consumer credit contracts. Sections 1799.95 and 1799.99 provide that no action may be brought and no security interest enforced, against any cosigner who is entitled to receive a cosigner notice and does not receive it, in connection with any consumer credit contract subject to the Code or any other transaction subject to provisions of § 444.3 of the Commission's Credit Practices Rule.

The petition also cites the California Business and Professions Code, section 17200, which prohibits unfair competition, a term defined to include unlawful and unfair business practices, as well as unfair or deceptive advertising. Actions for injunctions and civil penalties are provided for in sections 17204 and 17206. False or misleading statements are prohibited by section 17500 and injunctive relief and civil penalties are provided for in sections 17535 and 17536.

B. Comparison of Cosigner Notice Requirements

Section 1799.91 of the California Civil Code requires that each "creditor" who obtains the signature of more than one person on a transaction subject to § 444.3 of the Credit Practices Rule deliver a notice that is identical to the text of the notice contained in § 444.3(c) of the Credit Practices Rules [4] to each person unless the persons are married to each other or unless the person in fact receives any of the money, property, or services that are the subject of the transaction.

Public comment is sought on the degree to which the differences in coverage between state law and the Rule affect the level of protection afforded by state law, as discussed below.

1. Parties Required to Give the Notice

The California Civil Code requires that the notice be given by each "creditor," defined as any person or entity who enters into or arranges for consumer credit contracts (including lease purchase arrangements), "in the ordinary course of business." The Credit Practices Rule applies to any "lender" and any "retail installment seller," as defined in §§ 444.1(a) and 444.1(b) respectively, within the Commission's jurisdiction.[5] California states that its law covers the same parties that the Rule covers. It maintains further that the definition of "consumer credit contract" includes all of the retail installment sales and virtually all of the loans covered by the Rule.

In view of the differences in terminology in the Commission's Rule and the California Code, public comment is sought as to whether there are situations where the notice would be required under the Rule but not the Code, or under the Code but not the Rule, or whether the protection afforded by the Code is as great as, or greater than, the protection afforded by the Rule.

2. Inclusion of the California Notice in the Contract

The Rule requires that the cosigner notice be on a separate document. California law requires the placement of the notice on either a separate document or on the contract or other document establishing the cosigner's liability. California law requires that all cosigner notices be in at least 10-point type, although the Rule contains no such requirement. California notes that the Commission's stated purpose (at 49 FR 7778) for requiring that the notice be given on a separate document is to assure that the cosigner will actually be aware of the notice before becoming obligated. California contends that its law meets this objective by requiring that any cosigner notice not actually on a separate document must be placed on the document that contractually obligates the cosigner and must appear in a box with a bold border that is placed immediatley above the signature line or immediately above or adjacent to other statutorily required notices. California maintains this cosigner notice will not be lost in the verbiage of the contract, because the notice must appear on the side of the contract that has the signature line.

California law also contains the express requirement, not contained in the Rule, that the cosigner receive a copy of the cosigner notice. California law prohibits obtaining a cosigner's signature on a contract containing blank spaces to be filled in later and requires that each person entitled to the cosigner notice also receive a copy of the debt instrument and any security agreement or deed of trust evidencing the consumer credit contract.

Public comment is sought on whether California law provisions governing the locations of the cosigner notice make the protection afforded by California law greater or less than that afforded by the Rule.

3. Provision of the Notice to Spouses

The Rule requirement that the cosigner notice be given does not exclude a spouse who is a cosigner; California law does exclude spouses. California contends that providing the Rule notice to spouses would constitute the furnishing of a misleading statement [6] of spouses' legal responsibilities under California's marital law, and that the Rule notice cannot appropriately be modified to reflect the intricacies of such law. California claims that it would be impractical to modify the notice; that an accurate, modified notice would be ineffective because of its complexity; and that such notice would rarely be of value to spouses.

In summarizing California's marital property law, the California Attorney General notes that all real property in California and all personal property acquired during marriage is community property. California law provides that community property is "liable" for debt incurred by either spouse before or during marriage, regardless of whether one or both are parties to the debt. A married person may imperil his or her separate property (e.g. property acquired before marriage or through gift or inheritance) by cosigning for the spouse's debts. Otherwise, such separate property is not liable for debts of a spouse, except for debts incurred to obtain the "necessities of life." California maintains that a cosigner

[4] The text of the consigner notice is as follows:

Notice to Cosigner.

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of your credit record.

This notice is not the contract that makes you liable for the debt.

[5] Under the Rule the term "lender" (§ 444.1(a)) denotes one who engages "in the business" of lending money to consumers, and the term "retail installment seller" (§ 444.1(b)) denotes one who sells goods or services to consumers on a deferred payment basis or pursuant to a lease-purchase arrangement.

[6] California argues that the cosigner notice may mislead a married person to believe he or she will not be liable for his or her spouse's debt unless the person signs the obligation.

notice explaining these provisions of the California law would be too complex to be effective. California contends that the notice would be of little value because it is likely that all of a spouse's significant assets are community property that is already imperiled without the spouse's signature, for any debt incurred by the other spouse before or during marriage. Further, California contends that the notice would not apply to most obligations, because creditors will structure them to entitle both spouses to receive the proceeds of the transaction or to use or own the purchased goods.

Public comment is sought as to whether, in light of the provisions of California community property law, California law provides less protection than does the Rule, because it does not require that the cosigner notice be given to spouses. Comment is also sought concerning whether the notice required by the Rule would mislead a married person to believe that there would be no liability for his or her spouse's obligation, unless that person became a cosigner.

4. Other Parties Entitled To Receive the Notice

California maintains that its law offers protection to a greater range of cosigners than does the Rule. The California Code requires that a cosigner notice be given to a person whose collateral is at risk, unless that person actually uses the money, property, or services that are the subject of the transaction. Under § 444.1(k) of the Rule, as construed in Commission staff opinion letters, a person who merely pledges collateral without becoming personally obligated,[7] and a person who is entitled to receive proceeds of a loan but elects not to receive them,[8] are not cosigners and not entitled to receive the cosigner notice. Such persons are entitled to receive the cosigner notice under California law.

California also maintains that its law offers protection to certain cosigners of open-end credit transactions, but that the Rule does not offer protection to such cosigners in California. The Attorney General states that creditors in California offer open-end credit plans to multiple obligors as joint applicants, each of whom has the theoretical right to receive credit. Consumers who elect not to receive the credit under such open-end transactions would not be entitled to receive the cosigner notice under the Rule as construed by the Commission staff.[9] Under California law, the cosigner notice would have to be given unless the creditor disclosed clearly and conspicuously in the credit application or agreement that each applicant has the right to receive credit up to any limit and that each applicant may be liable for credit extended to any applicant. The creditor would also have to issue each applicant the credit cards or other devices needed to access the credit plan in order to avoid being required to give the cosigner notice.

Public comment is sought on the degree to which these differences as to persons entitled to receive the cosigner notice affect the level of protection afforded by California law as compared with the Rule.

5. Language of the Notice

In its Statement of Basis and Purpose, the Commission noted (at 49 FR 7778) that the cosigner notice should be provided in the same language as that in which the underlying loan contract is written, a matter not specifically addressed by the Rule. California requires that a prescribed, Spanish language translation of the notice accompany the English version, and that the notice be translated into the language in which the underlying contract is written, if other than English or Spanish (in addition to, or in lieu of, the Spanish translation).

California maintains that the language requirements for its notice are consistent with the Commission's viewpoint that the cosigner notice should be given in the same language used in the underlying credit agreement.

Public comment is sought as to whether the requirements of California law as to the language of the cosigner notice afford the same protection as does the Rule.

6. Coverage of Real Estate Loans

California contends that its law requires that the cosigner notice be given in some transactions not covered by the Rule. The Commission's Statement of Basis and Purpose for the Rule states (at 49 FR 7740) that the rulemaking proceeding focuses on credit "for purposes other than the purchase of real estate." The Commission's Statement of Basis and Purpose states that the confession of judgment prohibition under § 444.2(a)(1) of the Rule applies to real estate secured second mortgage loan obligations, to the extent that the proceeds of such loans are used for consumer purchases, but does not apply to real estate first mortgages (49 FR 7745–55). Commission staff believes the foregoing Commission statements determine the extent to which the cosigner provision applies to real estate loans and has therefore concluded that the cosigner provision does not cover transactions for the purchase of real estate, or the refinancing of purchase money real estate loans if the refinancing is not to obtain cash to be used for the purchase of consumer goods or services, for personal, family or household use.[10] The California law cosigner provision applies to all loans for personal, family or household purposes, including purchase money real estate loans, that are arranged by real estate brokers or made by personal property brokers, thrift and loan companies, and consumer finance lenders subject to state licensure.

California maintains that the scope of its law is broader than the cosigner provision of the Rule, because it includes purchase money real estate loans.

Public Comment is sought as to whether the provisions of California law requiring that cosigner notices be provided in real estate transactions afford the same protection as does the Rule.

C. Comparison of Prohibitions Against Misrepresentations of Cosigner Liability

Section 444.3(a)(1) of the Rule provides that it is a deceptive act or practice within the meaning of Section 5 of the Federal Trade Commission Act for a lender or retail installment seller to misrepresent to any person, directly or indirectly, the nature or extent of consigner liability. Section 444.3(a)(2) provides that it is an unfair act or practice within the meaning of Section 5 for a lender or retail installment seller to obligate a consigner, directly or indirectly, unless the consigner is informed of the nature of his or her liability as a consigner prior to becoming obligated.

California law does not prohibit misrepresentation of cosigner liability or provide law enforcement agencies a cause of action to redress such conduct.

---

[7] "A party whose sole connection with the transaction is to provide security for the transaction, but who is *not* obligated to pay the underlying debt . . . is not a cosigner." (FTC Staff Advisory Letter #7, February 22, 1985, 5 CCH Cons. Credit Guide ¶ 96,360. FTC Staff Advisory Letter #20, March 22, 1985, 5 CCH Cons. Credit Guide ¶ 96,345).

[8] "The FTC staff position . . . is that, if both persons are entitled to receive the proceeds of the loan, but elect to have the proceeds paid to only one of them, the other person is not a cosigner simply because he or she has chosen not to receive the loan proceeds." (FTC Staff Advisory Letter #20, March 22, 1985, 5 CCH Cons. Credit Guide ¶ 96,345).

[9] See Staff Advisory Letter #20, March 22, 1985, 5 CCH Cons. Credit Guide ¶ 96,345.

[10] FTC Staff Advisory Letter #23, March 8, 1985, 5 CCH Cons. Credit Guide ¶ 86,332.

California law does, however, proscribe the dissemination of untrue and misleading statements in order to dispose of goods or services. Proof of actual deception, the intent of the disseminator, the customer's knowledge of or reliance on the statement or damages are unnecessary to establish a violation. California law also prohibits a wide range of practices constituting unfair competition, which includes unlawful, unfair, or fraudulent business practices. This law protects consumers as well as businesses.

Public comment is sought on the degree to which the differences between state law and the Rule concerning prohibitions against misrepresentations affect the level of protection afforded by state law.

D. Enforcement and Remedies

California contends that its law affords consumers more protection than does the Rule, so far as enforcement and remedies are concerned. Public comment is sought on whether the enforcement mechanisms and remedies provided under state law afford a level of protection comparable to that afforded by the Rule.

1. Remedies

The rule provides for penalties of $10,000 per violation, but failure to comply with the Rule does not alter the underlying obligation. The commission may sue to enforce the Rule, but no private right of action is provided under the Rule.

Under California law, an action for injunction, restitution, and other equitable relief may be brought by private organizations or individuals, even if they are not directly aggrieved by the violations. Such actions may also be brought by the Attorney general, any of 58 district attorneys, and local prosecutors, all of whom may seek a civil penalty of up to $2,500 for each violation of the statutes (which could result in a $5,000 penalty for a deceptive statement that violates two provisions of the Code) and may seek a civil penalty of up to $6,000 per day for each violation of an injunction issued pursuant to the Business and Professions Code.

If a consumer credit contract does not comply with California law, a creditor is prohibited from bringing any action or enforcing any security interest against anyone who signed the contract, did not receive any proceeds from the contract, was entitled to receive the consigner notice, and did not receive the notice.[11]

A party injured through misrepresentation of consigner liability has a cause of action under California law pursuant to traditional tort theories such as fraud, deceit, negligent misrepresentation, and mistake, and is entitled to appropriate traditional remedies that might include actual and punitive damages, rescission or reformation.

2. Enforcement Capabilities

In addition to the private right of action discussed above, California law is enforced by the Attorney General, the 58 district attorneys who have enforcement powers within their own counties that are concurrent with the powers of the Attorney General and by local prosecutorial offices. District attorneys in a number of highly populated counties maintain active consumer fraud divisions. City attorneys for Los Angeles and San Diego maintain active consumer protection sections.

List of Subjects in 16 CFR Part 444

Credit practices.

By direction of the Commission.

Benjamin I. Berman

Acting Secretary.

[FR Doc. 86-19548 Filed 8-28-86; 8:45 am]

BILLING CODE 6750-01-M

[11] This prohibition does not affect the rights of a bona fide purchaser for value of property sold pursuant to enforcement of a security interest, if such purchase was made without notice of any facts constituting a violation.

UNITED STATES INFORMATION AGENCY

22 CFR Parts 526 and 527

Freedom of Information Act Regulations for the National Endowment for Democracy

AGENCY: United States information Agency.

ACTION: Proposed rule.

SUMMARY: These proposed regulations comply with Pub. L. 99-93 of August 16, 1985, amending the National Endowment for Democracy Act (22 U.S.C. 4411, *et seq.*) which requires the Director of the United States information Agency to publish information on the application of the Freedom of Information Act (5 U.S.C. 552) (hereinafter "FOIA") to the National Endowment for Democracy (NED). More specifically, Pub. L. 99-93 requires that NED make available to the Director of the United States Information Agency (hereinafter 'USIA") such records and information as necessary to comply with the provisions of FOIA, and that the Director shall cause such records and information to be published in the **Federal Register.**

DATE: Comments must be received by September 29, 1986..

ADDRESS: Comments may be mailed to John A. Lindburg, Assistant General Counsel, United States Information Agency, Room 700, 301 Fourth Street, SW., Washington, DC 20547.

FOR FURTHER INFORMATION CONTACT: John A. Lindburg, Office of the General Counsel, United States Information Agency, Room 700, 301 Fourth Street, SW., Washington, DC 20547, (202) 485-7976.

SUPPLEMENTARY INFORMATION: Under the National Endowment for Democracy's most recent authorizing legislation (Pub. L. 99-93), NED is required to comply with the provisions of the Freedom of Information Act. *See* 22 U.S.C. 4415(a). The proposed regulations governing NED's compliance with FOIA were drafted to ensure that requesters seeking access to NED records receive prompt responses and have recourse to denials through a series of procedures.

The law also establishes a mechanism of review by the Director of USIA in the event of final determinations by NED not to comply with a FOIA request for its records. *See* 22 U.S.C. 4415(c). In such instances, NED is required to submit to the Director of USIA a report of its reasons for noncompliance. *See* 22 U.S.C. 4415(c)(1). If the Director approves NED's determination, USIA then assumes full responsibility, including financial responsibility, for defending NED in judicial review of its determinaiton. *See* 22 U.S.C. 4415(c)(2). If the Director disapproves NED's determination, NED Must comply with the request. *See* 22 U.S.C. 415(c)(3).

The proposed regulations fulfill the publication requirements of 5 U.S.C. 552(a)(1) for NED's and USIA's compliance with FOIA. The proposed regulations largely follow USIA's existing regulations implementing FOIA, since USIA regulations have provided an effective framework for compliance. To the extent that the proposed regulations differ from USIA's existing regulations, they do so to reflect the structure and organization of NED and the additional review by the Director of USIA of NED determinations not to comply with requests for records. The significant differences between the sets of regulations are discussed below.

Section 526(a). Requesters are permitted to make their initial requests for records and appeals of denials thereof to either NED or USIA,

consistent with the legislative intent expressed by the Committee of Conference. *See* H.R. Rep. No. 99–240, 99th Cong., 1st Sess. 79 (1985). Requesters are encouraged, however, to make their requests directly to NED to expedite their handling. For the same reason, USIA is required to forward any request it receives to NED within 2 working days of receipt by USIA. Requests will not be deemed to have been received for purposes of the time period set forth in 5 U.S.C. 552(a)(6)(A)(i) until actually received by NED.

Section 526(b). The proposed regulations provide a 30-day period for appeal of an initial adverse NED determination, which period runs from the receipt by the requester of the notification of denial. This is the same as the appeal period contained in the existing USIA regulations. Thus, NED's initial determination becomes its final determination, *inter alia*, upon expiration of the appeal period. To allow for full consideration within NED before review by the Director of USIA, only final determinations by NED are reviewed by the Director.

At the same time, the proposed regulations allow a requester to accelerate the time within which NED's initial determination becomes final and therefore eligible for review by the Director of USIA (and by the courts) by notifying NED of his election to forego appeal by the President of NED or his designee. This will allow more expeditious resort to review by USIA if the requester wishes.

The proposed regulations require NED to submit a report to the Director of USIA within five working days of NED's determination to deny a request for records. This period is designed to provide the requester with expeditious review and NED with sufficient opportunity to prepare the report that will serve as the basis of approval or disapproval by the Director.

Because review by the Director may resolve any dispute over access to NED records in favor of the requester, the proposed regulations encourage, but do not require, the requester to await the determination on review by the Director before seeking judicial review of NED's final determination. The minimal time period allowed for USIA review should not prejudice requesters.

USIA has determined that this is not a major rule for purpose of Executive Order 12291. Therefore, no Regulatory Impact Analysis is required. In addition, because USIA neither prescribes nor exercises any discretion over NED's grant application procedures, Paperwork Reduction Act requirements governing information collection are inapplicable.

List of Subjects

22 CFR Part 526

Freedom of information.

22 CFR Part 527

Organization and functions.

Dated: August 13, 1986.

Thomas E. Harvey,

General Counsel and Congressional Liaison, United States Information Agency.

1. It is proposed to add Part 526 to read as follows:

PART 526—AVAILABILITY OF THE RECORDS OF THE NATIONAL ENDOWMENT FOR DEMOCRACY

Sec.

Authority: Title II, Sec. 210, Pub. L. 99–93, 99 Stat. 431, 22 U.S.C. 4415.

§ 526.1 Introduction.

These regulations amend the Code of Federal Regulations to conform with Pub. L. 99–93. Pub. L. 99–93 amended the National Endowment for Democracy Act (22 U.S.C. 4411, et seq.) to require the National Endowment for Democracy (hereinafter "NED") to comply fully with the provisions of the Freedom of Information Act (5. U.S.C.) (hereinafter "FOIA"), notwithstanding that NED is not an agency or establishment of the United States Government. NED will make information about its operation, organization, procedures and records available to the public in accordance with the provisions of FOIA.

§ 526.2 Location of description of organization and substantive rules of general applicability adopted as authorized by law, and statements of general applicability formulated and adopted by NED.

(See 22 CFR Part 527 for a description of the organization of NED and substantive rules of general applicability formulated and adopted by NED.)

§ 526.3 Places at which forms and instructions for use by the public may be obtained.

(a) All forms and instructions pertaining to procedures under FOIA may be obtained from the FOIA Officer of the National Endowment for Democracy, 1156 15th Street NW, Suite 304, Washington, DC, 20005.

(b) Grant guidelines may be obtained from the Program Office of NED at the address shown above.

(c) General information may be obtained from the Public Affairs Office of NED at the address shown above.

§ 526.4 Availability of final opinions, orders, policies, interpretations, manuals, and instructions.

NED is not an adjudicatory organization and therefore does not issue final opinions and orders made in the adjudication of cases. NED will, however, in accordance with the rules in this section and § 526.7, make available for public inspection and copying those statements of policy and interpretation that have been adopted by NED and are not published in the **Federal Register**, and administrative staff manuals and instructions of staff that affect any member of the public.

(a) *Deletion of protect privacy.* To the extent required to prevent a clearly unwarranted invasion of personal privacy, NED may delete identifying details when it mades available or publishes a statement of policy, interpretation, or staff manual or instruction. Whenever NED finds any such deletion necessary, the responsible officer or employee must fully explain the justification therefor in writing.

(b) *Current index.* NED will maintain and make available on its premises for public inspection and copying a current index providing identifying information for the public as to any matter issued, adoted or promulgated after July 4, 1967, and required by this section to be made available or published. NED will provide copies on request at a cost of $0.15 per page.

§ 526.5 Availability of NED records.

Except with respect to the records made available under § 526.4 NED will, upon a request that reasonably describes records in accordance with the requirements of this section, and subject to the exemptions listed in 5 U.S.C. 552(b), make such records promptly available to any person.

(a) *Requests for records—How made and addressed.* (1) Requesters seeking access to NED records under FOIA should direct all requests in writing to: Freedom of Information Act Officer,

National Endowment for Democracy, 1156 15th Street, NW., Suite 304 Washington, DC 20005, (202) 293–9072. Although requesters are encouraged to make their requests for access to NED records directly to NED, requests for access to NED records also may be submitted to USIA's Office of General Counsel and Congressional Liasion at the following address: Freedom of Information/Privacy Acts Coordinator, U.S. Information Agency, Room M–04, 301 Fourth Street, SW., Washington, DC 20547.

(2) Appeals of denials of initial requests must be addressed to NED or USIA in the same manner, with the addition of the word "APPEAL" preceding the address on the envelope. Requests or appeals addressed directly to USIA's Office of the General Counsel and Congressional Liaison will not be deemed to have been received by NED for purposes of the time period set forth in 5 U.S.C. 552(a)(6)(A)(i) until actually received by NED. USIA shall forward any request or appeal received by it to NED within 2 working days from the actual day of receipt by USIA.

(3) The request letter should contain all available data concerning the desired records, including a description of the material, dates, titles, authors, and other information that may help identify the records. The first paragraph of a request letter should state whether it is an initial request or an appeal.

(b) *Administrative time limits.* (1) Within 10 working days after NED's receipt of any request for access to NED records in compliance with paragraph (a) of this section, NED shall make an initial determination whether to provide the requested information and NED shall notify the requester in writing of its initial determination. In the event of an adverse determination, notification shall include the reasons for the adverse determination, the officials responsible for such determination, the right of the requester to appeal within NED, and that the final determination by NED to deny a request for records in whole or in part shall be submitted to the Director of USIA for review. NED shall also provide USIA a copy of its response as soon as practicable after it responds to the requester.

(2) When a request for records has been denied in whole or in part, the requester may, within 30 days of the date of receipt by the requester of the adverse determination from NED, appeal the denial to the President of NED or his designee, who will make a determination whether to grant or deny such appeal within 20 working days of receipt thereof. All appeals should be addressed in compliance with paragraph (a) of this section. If on appeal, the denial of the request for records is upheld, in whole or in part, NED shall notify the requester in writing of such determination, the reasons therefor, the officials responsible for such determination, the right of the requester to judicial review, and that the final determination by NED whether to deny a request for records in whole or in part shall be submitted to the Director of USIA for review.

(3) If the requester elects not to appeal to the President of NED or his designee within the appeal period specified above, NED's initial determination will become the final NED determination upon expiration of said appeal period or receipt by NED of notice from the requester that he does not elect to appeal, whichever is earlier. If the requester chooses to appeal NED's initial determination within NED, the decision on appeal will become NED's final determination.

(4)(i) Once NED's determination to deny a request in whole or in part becomes final, NED shall submit a report to the Director of USIA explaining the reasons for such denial no later than 5 working days thereafter.

(ii) The Director of USIA shall review NED's final determination within 20 working days. If the Director of USIA or his designee approves NED's denial in whole or in part, USIA shall inform the requester and NED in writing of such determination, the reasons therefor, the officials responsible for such determination, and the right of the requester to judicial review of NED's determination. In the event of such a determination, USIA shall assume full responsibility, including financial responsibility, for defending NED in any litigation relating to such request.

(iii) If the Director of USIA or his designee disapproves NED's denial in whole or in part, USIA shall promptly notify NED and thereafter NED shall promptly comply with the request for the pertinent records.

(iv) Because review by the Director of USIA may resolve any dispute over access to NED records in the requester's favor, the requester is encouraged (but not required) to wait for the determination on review by the Director of USIA before seeking judicial review of NED's final determination.

(5) In unusual circumstances as defined in 5 U.S.C. 552(a)(6)(B), the time limit provisions noted in paragraphs (b)(1) and (b)(2) of this section may be extended by written notice to the requester setting forth the reasons for such extension and the date on which a determination can be expected. Such extensions of the time limits may not exceed 10 working days in the aggregate.

(6) Any person making a request for records pursuant to § 526.5 may consider administrative remedies exhausted if NED fails to comply within the applicable time limit provisions of this section. When no determination can be dispatched within the applicable time limits set forth in this section, NED shall nevertheless continue to process the request. On the expiration of the time limit, NED shall inform the requester of the reason for the delay, of the date on which a determination may be expected to be dispatched, and of the requester's right to treat the delay as a denial and of the requester's right to appeal. NED may ask the requester to forego appeal until a determination is made. A copy of any such notice of delay will be sent to the Director of USIA or to his designee no later than 2 working days after it has been sent to the requester. A court may retain jurisdiction and allow NED additional time to complete its review of the records, if it can be determined that exceptional circumstances exist and that NED is exercising due diligence in responding to the request.

(c) *Schedule of standard fees.* The following specific fees shall apply with respect to services rendered to the public pursuant to the FOIA:

(1) Making photocopies—$0.15 per page. No fee will be charged for a request totalling 10 pages or fewer.

(2) Searching for records—$8.00 per hour for clerical personnel; $15.00 per hour for supervisory personnel. No fees will be charged for searches of one hour or less.

(3) Duplication of architectural photographs and drawings—$2.00.

(4) For signed statement of nonavailability of record—no fee.

(5) Fees must be paid in full prior to issuance of requested copies.

(6) Where it is anticipated that the fees chargeable under this section will amount to more than $25.00, and the requester has not indicated in advance a willingness to pay fees as high as are anticipated, the requester shall be promptly notified of the amount of the anticipated fee or such portion thereof as can readily be estimated. In appropriate cases, an advance deposit may be required. The notice or request for an advance deposit shall extend an offer to the requester to confer with knowledgeable NED personnel in an attempt to reformulate the request in a manner which will reduce the fees and meet the needs of the requester. Dispatch of such a notice of request shall suspend the running of the period

for response by NED until a reply is received from the requester.

(7) Search costs are due and payable even if the record that was requested cannot be located after all reasonable efforts or if NED determines that a record that is exempt from disclosure under this part is to be withheld.

(8) Remittances shall be in the form of a personal check or bank draft drawn on any bank in the United States, a postal money order, or cash. Remittances shall be made payable to the order of: National Endowment for Democracy. NED will assume no responsibility for cash lost in the mail.

(9) A receipt for fees paid will be given only upon request. Refund of fees paid for services actually rendered will not be made.

(10) The President of NED or his designee may waive all or part of any fee provided for in this section when the President of NED or his designee deems such waiver to be in the public interest because furnishing the information can be considered as primarily benefiting the general public.

(d) *Determination of Non-Standard Fees.* When no specific fee has been established for a service (for example, when the search involves computer time, or special travel, transportation, or communication costs), the President of NED or his designee is authorized to determine the direct costs of the service and include such costs in the fees chargeable under this section.

§ 526.6 Exemptions.

NED reserves the right to withhold records and information that are exempt from disclosure under FOIA. *See* 5 U.S.C. 552(b).

§ 526.7 Limitation of exemptions.

FOIA does not authorize withholding of information or limit the availability of NED records to the public except as specifically stated in this part. Nor is authority granted to withhold information from Congress.

§ 526.8 Reports.

On or before March 1 of each calendar year, NED shall submit a reporting covering the preceding calendar year to the Speaker of the House of Representatives and the President of the Senate for referral to the appropriate committees of the Congress. The report shall include those items specified at 5 U.S.C. 552(d).

2. It is proposed to add Part 527 to read as follows:

PART 527—ORGANIZATION OF THE NATIONAL ENDOWMENT FOR DEMOCRACY

Sec.
527.1 Introduction.
527.2 Board of Directors.
527.3 Management.
527.4 Description of functions and procedures.

Authority: 22 U.S.C. 4411 *et seq.;* Title II, Sec. 210, Pub. L. 99-93, 99 Stat. 431, 22 U.S.C. 4415.

§ 527.1 Introduction.

(a) The National Endowment for Democracy (hereinafter "NED") was created in 1983 to strengthen democratic values and institutions around the world through nongovernmental efforts. Incorporated in the District of Columbia and governed by a bipartisan Board of Directors, NED is a tax-exempt, nonprofit, private corporation as defined in section 501(c)(3) of the Internal Revenue Code. Through its worldwide grant program, NED seeks to enlist the energies and talents of private citizens and groups to work with partners abroad who wish to build for themselves a democratic future.

(b) Since its establishment in 1983, NED has received an annual appropriation approved by the United States Congress as part of the United States Information Agency budget. Appropriations for NED are authorized in the National Endowment for Democracy Act (the "Act"), 22 U.S.C. 4411 *et. seq.*

(c) The activities supported by NED are guided by the six purposes set forth in NED's Articles of Incorporation and the National Endowment for Democracy Act. These six purposes are:

(1) To encourage free and democratic institutions throughout the world through private-sector initiatives, including activities which promote the individual rights and freedoms (including internationally recognized human rights) which are essential to the functioning of democratic institutions;

(2) To facilitate exchanges between U.S. private sector groups (especially the two major American political parties, labor and business) and democratic groups abroad;

(3) To promote U.S. nongovernmental participation (especially through the two major American political parties, labor, and business) in democratic training programs and democratic institution-building abroad;

(4) To strengthen democratic electoral processes abroad through timely measures in cooperation with indigenous democratic forces;

(5) To support the participation of the two major American political parties, labor, business, and other U.S. private-sector groups in fostering cooperation with those abroad dedicated to the cultural values, institutions, and organizations of democratic pluralism; and

(6) To encourage the establishment and growth of democratic development in a manner consistent both with the broad concerns of United States national interests and with the specific requirements of the democratic groups in other countries which are aided by NED-supported programs.

§ 527.2 Board of Directors.

(a) NED is governed by a bipartisan Board of Directors of not fewer than thirteen and not more than seventeen members reflecting the diversity of American society. The officers of the corporation are Chairman and Vice Chairman of the Board, who shall be members of the Board, a President, Secretary and Treasurer, and such other officers as the Board of Directors may from time to time appoint. Meetings of the Board of Directors are held at times determined by the Board, but in no event fewer than four times each year. A current list of members of the Board of Directors and a schedule of upcoming meetings is available from NED's office at 1156 15th Street, NW., Suite 304, Washington, DC, 20005.

(b) All major policy and funding decisions are made by the Board of Directors. The primary statement of NED's operating philosophy, general principles and priorities is contained in the National Endowment for Democracy's *Statement of Principles and Objectives,* adopted by the Board of Directors in December 1984. Copies of this statement as well as other general information concerning the organization are available from NED on request.

(c) As a grantmaking organization, NED does not carry out programs directly. The procedures for approval of grants are stated in NED's bylaws: "[a]11 grants made by the corporation shall be by a two-thirds vote of those voting at a meeting at which a quorum is present, provided, however, that no grant may be approved by less than a majority of the Board of Directors" (Article VI, section 5). In addition, "[a]ny Board member who is an officer or director of an organization seeking to receive grants from the Corporation must abstain from consideration of and any vote on such grant" (Article VI, section 6). Copies of the bylaws are available from NED's offices.

§ 527.3 Management.

(a) NED's operations and staff are managed by a President selected by the Board of Directors. The President is the chief executive officer of the corporation and manages the business of the corporation under the policy direction of the Board of Directors. The President directs a staff whose functions are divided among the Office of the President, a Program Section and a Finance Office.

(b) The Office of the President provides policy direction and is responsible for day-to-day management of the organization, including personnel management, liaison with the Board of Directors and preparation of meetings of the Board and Board committees. The President's office also provides information concerning NED's activities to the press and public. The Program Section, under the direction of the Director of Program, is responsible for the review and preparation of proposals submitted to the Endowment and for the monitoring and evaluation of all programs funded by NED.

(c) The Finance Office, under the direction of the Comptroller, is responsible, with the President and the Board of Directors, for financial management of NED's affairs, including both administrative financial management and grant management. The Director of Program and the Comptroller report to the NED President.

§ 527.4 Description of functions and procedures.

(a) In accordance with the *Statement of Principles and Objectives*. NED is currently developing and funding programs in five substantive areas:

(1) *Pluralism*. NED encourages the development of strong, independent private-sector organizations, especially trade unions and business associations. It also supports cooperatives, civic and women's organizations, and youth groups, among other organizations. Programs in the areas of labor and business are carried out, respectively, through the Free Trade Union Institute and the Center for International Private Enterprise.

(2) *Democratic governance and political processes*. NED seeks to promote strong, stable political parties committed to the democratic process. It also supports programs in election administration and law, as well as programs that promote dialogue among different sectors of society and advance democratic solutions to national problems.

(3) *Education, culture and communications*. NED funds programs that nourish a strong democratic civic culture, including support for publications and other communications media and training programs for journalists; the production and dissemination of books and other materials to strengthen popular understanding and intellectual advocacy of democracy; and programs of democratic education.

(4) *Research*. A modest portion of NED's resources is reserved for research, including studies of particular regions or countries where NED has a special interest, and evaluations of previous or existing efforts to promote democracy.

(5) *International cooperation*. NED seeks to encourage regional and international cooperation in promoting democracy, including programs that strengthen cohesion among democracies and enhance coordination among democratic forces.

(b) As a grantmaking organization, NED has certain responsibilities that govern its relationship with all potential and actual grantees. Briefly, these are:

(1) *Setting program priorities* within the framework of the purposes outlined in NED's articles of incorporation and contained in the legislation, and guided by the general policy Statement of the Board of Directors;

(2) *Reviewing and vetting proposals*, guided by the general guidelines and selection criteria adopted by the NED Board;

(3) *Coordinating among all grantees* to avoid duplication and to assure maximum program effectiveness;

(4) *Negotiating a grant agreement* which ensures a high standard of accountability on the part of each grantee;

(5) *Financial and programmatic monitoring* following the approval and negotiation of a grant, and ongoing and/or follow-up evaluation of programs prior to any subsequent funding of either a particular grantee or a specific program. Grantees will also be expected to monitor projects, to provide regular reports to NED on the progress of programs, and to inform NED promptly of any significant problems that could affect the successful implementation of the project. NED grantees will also conduct their own evaluations of programs.

(6) As a recipient of congressionally appropriated funds, NED has a special responsibility to

(i) Operate openly,

(ii) Provide relevant information on programs and operations to the public, and

(iii) Ensure that funds are spent wisely, efficiently, and in accordance with all relevant regulations.

(c) Institutes representing business, labor, and the major political parties carry out programs which are central to NED's purposes. As a result of their unique relationship to NED, institute programs are an integral part of NED's priorities and the institutes themselves are "core" grantees. As such, the institutes, while subject to all the normal procedures governing NED's relationships with grantees, will be treated differently in the following respects:

(1) The institutes will have the mandate to carry out programs funded by NED in their respective sectors of business, labor and political parties.

(2) As an integral part of the process of budgeting and setting program priorities, the NED Board will target a certain amount of its annual resources for institute programs in their respective fields of activity.

(3) Unlike its practice for the majority of its grantees, NED will fund significant administrative costs for each of the core grantees.

(4) Institute staff will assume responsibility for program development and preparation of proposals for the Board in each field of activity for which it has a special mandate.

(5) NED will expect its core grantees to perform their monitoring/evaluation function described in programmatic monitoring under *Financial and programmatic monitoring* above in a manner that will minimize the need to devote NED resources for these purposes. (Individual copies of the Grants Policy are available from the NED office.)

(6) As stated above, in awarding grants the Board is guided by established grant selection criteria. In addition to evaluating how a program fits within NED's overall priorities, the Board considers factors such as the urgency of a program, its relevance to specific needs and conditions in a particular country, and the democratic commitment and experience of the applicant. NED is especially interested in proposals that originate with indigenous democratic groups. It is also interested in nonpartisan programs seeking to strengthen democratic values among all sectors of the democratic political spectrum.

(d) *Selection criteria*. In determining the relative merit of a particular proposal NED considers whether the grant application:

(1) Proposes a program that will make a concrete contribution to assisting foreign individuals or groups who are working for democratic ends and who need NED's assistance.

(2) Proposes a program, project or activity which is consistent with current NED program priorities and contributes to overall program balance and effectiveness.

(3) Proposes an activity that meets an especially urgent need.

(4) Does not overlap with what others are doing well.

(5) Proposes a program that will encourage an intellectual climate which is favorable to the growth of democratic institutions.

(6) Proposes a program that is not only culturally or intellectually appealing, but will affect the education and the awareness of minorities and/or the less privileged members of a society.

(7) Originates from an organization within a particular country representing the group whose needs are to be addressed.

(8) Appears to be well thought out, avoiding imprudent activities and possibilities for negative repercussions.

(9) Takes into consideration not only what objectively could be significant to a certain society, but how the cultural traditions and values of that society will react to the project.

(10) Incorporates an analysis of the problem of democracy in the area in question and the method by which the proposed program will have a constructive impact on the problem.

(11) Proposes a program that will enhance our understanding of what really helps in aiding democracy.

(12) Creatively enlists support of foreign democratic organizations.

(13) Encourages democratic solutions and peaceful resolution of conflict in situations otherwise fraught with violence.

(14) Proposes a program, project or activity that is clearly relevant to NED program objectives and not better funded by other government or private organizations. (Proposing organizations will be referred to other funding organizations where substantial overlap exists.)

(15) Proposes a program or strategy that is appropriate to the circumstances in the country concerned.

(16) Proposes a program that can be expected to have a multiplier effect, hence having an impact broader than that of the specific project itself; or establishes a model that could be readily replicated in other countries or institutions.

(17) Proposes appropriate, qualified staff who have a demonstrated ability to administer programs capably so as to accomplish stated goals and objectives.

(18) Proposes an appropriate ratio of administrative to program funds.

(19) Is responsive to NED suggestions with regard to program revisions.

(20) Proposes a realistic budget that is consistent with NED perceptions of project value and is performed within a stated and realistic time frame; and

(21) Proposes a program that has, as one of its principal aspects, a major impact on the role of women and/or minorities.

(e) The following guidelines also apply to all projects funded by NED.

(1) The proposing organization must be able to show that it is a responsible, credible organization or group that has a serious and demonstrable commitment to democratic values. (Various factors may be considered in this regard: Recognized democratic orientation; established professional reputation; proven ability to perform; existence of organization charter, board of directors, regular audits, etc.);

(2) The proposing organization must be willing to comply with all provisions of the National Endowment for Democracy Act as well as all provisions of current and subsequent agreements between the USIA and NED;

(3) The proposing organization must agree not to use grant funds for the purpose of educating, training, or informing United States audiences of any U.S. political party's policy or practice, or candidate for office. (This condition does not exclude making grants or expenditures for the purpose of educating, training or informing audiences of other countries on the institutions and values of democracy that may incidentally educate, train, or inform American participants.);

(4) The proposing organization must agree that no NED funds will be used for lobbying or propaganda that is directed at influencing public policy decisions of the government of the United States or of any state or locality thereof;

(5) The proposing organization must agree that there shall be no expenditure of NED funds for the purpose of supporting physical violence by individuals, groups or governments;

(6) The proposing organization may not employ any person engaged in intelligence activity on behalf of the United States government or any other government;

(7) NED will not normally reimburse grantees for expenses incurred prior to the signing of a grant agreement with NED;

(8) Each grant made by NED will be an independent action implying no future commitment on NED's part to a project or program;

(9) NED may, from time to time, fund feasibility studies. Applications for grants in this category should include, but not be limited to, the following: Scope, method and objective of the study; Calendar; Proposed administration of the study; and Detailed budget. The funding of a feasibility study by NED does not imply support for any project growing out of the study. It does, however, imply interest by NED in the area under study and a willingness to entertain a project proposal growing out of the study; and

(10) The proposing organization may not use NED funds to finance the campaigns of candidates for public office.

(f) All proposals received by NED are reviewed by the staff in order to determine their congruence with NED's purposes as stated in the organization's Articles of Incorporation and the NED Act.

(g) Grant applications must contain the following information:

(1) A one-page summary of the proposed program;

(2) Organizational background and biographical information on staff and directors in the U.S. and abroad;

(3) A complete project description, including a statement of objectives, a project calendar, and a description of anticipated results;

(4) A statement describing how the project relates to NED's purposes;

(5) A description of the methods to be used to evaluate the project in relation to its objectives;

(6) A detailed budget, including an explanation of any counterpart support anticipated by the applicant, whether monetary or in-kind, domestic or foreign; and

(7) The names and addresses of all other funding organizations to which the proposal has been submitted or will be submitted.

(h) After an award determination has been made by the Board, NED enters into a grant agreement with the recipient. That agreement is made in accordance with NED policy, the terms of NED's grant agreement with USIA, and the terms of the Act, and the terms of NED's standard grant agreement as they apply to the specific project in question. (The NED Board of Directors approved a Statement of General Procedures and Guidelines on August 3, 1984. The statement, outlined above, is under revision and the revised document will be available for public inspection pending completion. Individual copies of the document are available from the NED office.)

(i) NED staff welcomes preliminary letters of inquiry prior to submission of a formal proposal. Letters of inquiry and formal proposals should be submitted to:

Director of Program, National Endowment for Democracy, 1156 15th Street NW., Suite 304, Washington, DC 20005.

[FR Doc. 86-18712 Filed 8-28-86; 8:45 am]

BILLING CODE 8230-01-M

NATIONAL LABOR RELATIONS BOARD

29 CFR Part 102

Procedural Rules; Amendments

AGENCY: National Labor Relations Board.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: On 15 May 1986, the National Labor Relations Board published revisions to its rules and regulations that were required by amendments to the Equal Access to Justice Act. These further proposed revisions state the revised effective date of the Equal Access to Justice Act to cases before the Board and clarify one provision of the rules.

DATE: Comments by: September 29, 1986.

ADDRESS: Send or deliver written comments to: John C. Truesdale, Executive Secretary, 1717 Pennsylvania Avenue, NW., Room 701, Washington, DC 20570, Telephone: (202) 254-9430.

FOR FURTHER INFORMATION CONTACT: John C. Truesdale, Executive Secretary, 1717 Pennsylvania Avenue, NW., Room 701, Washington, DC 20570, Telephone: (202) 254-9430.

SUPPLEMENTARY INFORMATION:

Pursuant to its authority under section 6 of the National Labor Relations Act, as amended (29 U.S.C. 156), and in accordance with the requirements of section 504(c)(1) of the Equal Access to Justice Act (5 U.S.C. 504(c)(1)), the National Labor Relations Board is revising its rules implementing the Equal Access to Justice Act governing the award of fees and other expenses to eligible parties who prevail in litigation before the Agency. In 1985, the Equal Access to Justice Act was amended with the changes in the Act made applicable to any case commenced after 1 October 1984. On 15 May 1986, the Board published in the **Federal Register** (51 FR 17732) revisions to its rules and regulations that were required by the amendments to the Equal Access to Justice Act and, in one instance, to conform language in the Board's rules to the statutory language. In issuing those rules, the Board omitted changing the paragraph of its rules that sets forth the effective date of the Equal Access to Justice Act and included the 30 September 1984 expiration date of the statute as originally enacted. In addition, one paragraph of the rules, which provides for the content of the application for an award, contains a less precise definition of the employee information required than is necessary to avoid any confusion with other provisions of the rules.

Section 102.143(a) presently provides that the Board's rules implementing the Equal Access to Justice Act apply to cases pending before the Board between 1 October 1981, and 30 September 1984, the former expiration date of the Equal Access to Justice Act. It is proposed to revise this provision to have the Board's rules applicable to all cases pending before the Board after 1 October 1984.

Section 102.147(a) presently states the requirements for the application for an award under the Equal Access to Justice Act. In setting forth the employee information that is required, paragraph (a) does not specify that the employee information is that of the applicant and its affiliates. Therefore, in order to conform this paragraph to § 102.143(g), which sets forth the eligibility of an applicant, it is proposed to revise § 102.147(a) to include the specification that the employee information from the applicant's affiliates, as well as the applicant, must be included in the application.

List of Subjects in 29 CFR Part 102

Administrative practice and procedure, Equal access to justice.

Accordingly, it is proposed to amend 29 CFR Part 102 as follows:

PART 102—RULES AND REGULATIONS, SERIES 8, AS AMENDED

1. The authority citation for 29 CFR Part 102 is revised to read as follows:

Authority. Section 6, National Labor Relations Act, as amended (29 U.S.C. 151, 156). Section 102.117(c) also issued under section 552(a)(4)(A) of the Freedom of Information Act, as amended (5 U.S.C. 552(a)(4)(A)). Sections 102.143 through 102.155 also issued under section 504(c)(1) of the Equal Access to Justice Act, as amended (5 U.S.C. 504(c)(1)).

2. Section 102.143 is amended by revising paragraph (a) to read as follows:

§ 102.143 "Adversary adjudication" defined; entitlement to award; eligibility for award.

(a) The term "adversary adjudication," as used in this subpart, means unfair labor practice proceedings pending before the Board on complaint and backpay proceedings under sections 102.52 to 102.59 of these rules pending before the Board on notice of hearing at any time after October 1, 1984.

* * * * *

3. Section 102.147 is amended by revising paragraph (a) to read as follows:

§ 102.147 Contents of application; net worth exhibit; documentation of fees and expenses.

(a) An application for an award of fees and expenses under the Act shall identify the applicant and the adversary adjudication for which an award is sought. The application shall state the particulars in which the applicant has prevailed and identify the positions of the General Counsel in that proceeding that the applicant alleges were not substantially justified. Unless the applicant is an individual, the application shall also state the number, category, and work location of employees of the applicant and its affiliates and describe briefly the type and purpose of its organization or business.

* * * * *

Dated: Washington, DC, August 25, 1986.

By direction of the Board.

National Labor Relations Board.

John C. Truesdale,

Executive Secretary.

[FR Doc. 86-19564 Filed 8-28-86; 8:45 am]

BILLING CODE 7545-01-M

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Ch. 18

NASA Federal Acquisition Regulation Supplement (NASA/FAR Supplement) Concerning Guidelines for the Acquisition of Investigations

AGENCY: NASA Office of Procurement, Procurement Policy Division.

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice invites written comments on a NASA proposal to amend the NASA Federal Acquisition Regulation Supplement, Ch. 18 of the Federal Acquisition Regulations System in Title 48 of the Code of Federal Regulations. The changes consist of updating NASA's present "Guidelines for the Acquisition of Investigations" handbook and clarifying its status as a part of the NASA/FAR Supplement. The proposed changes are available for review and comment.

DATE: Comments are due not later than September 29, 1986.

ADDRESS: Requests for copies of the proposal and comments should be

addressed to NASA Headquarters, Office of Procurement, Procurement Policy Division (Code HP), Washington, DC 20546.

FOR FURTHER INFORMATION CONTACT: W. A. Greene, Procurement Policy Division (Code HP), Office of Procurement, NASA Headquarters, Washington, DC 20546, Telephone: (202) 453–2119.

SUPPLEMENTARY INFORMATION:

Background

Success of NASA's program in aeronautics and space, in a large measure, can be attributed to the ability of NASA to harness the ideas, knowledge, and technical abilities of the investigators within and outside of NASA. It is also dependent on the effective development of equipment required for investigations, upon the support of actual and potential users of space related systems, and upon how well NASA understands the operations and programmatic requirements of the aerospace community. Sound management and acquisition practices are also essential to program execution. NASA's techniques designed to achieve these effects are described in NASA Handbook 8030.6, "Guidelines for the Acquisition of Investigations," which has been available to the public since 1974.

The Handbook provides general and specific guidance to all the NASA personnel engaged in the solicitation, evaluation, and selection of investigations. It emphasizes the responsibilities of line management and, as appropriate, the selected investigators in the acquisition of equipment necessary for the investigation. It helps assure uniform procedures and equitable treatment in the evaluation and selection of investigators and the acquisition of investigative equipment. As a management tool, it does not contain program descriptions or suggest topics for research, which are more appropriately subjects for individual solicitations known as "Announcements of Opportunity."

Changes to the Handbook are minor, reflecting for the most part changes in NASA's programs, new legislation, issuance of the Federal Acquisition Regulation (FAR), and evolution in procedures in the past eight years. The revised Handbook will be reissued as the NASA FAR Supplement basis for "Announcements of Opportunity," i.e., broad agency announcements as set forth in FAR 6.102(d)(2).

Impact

This proposed rule was forwarded to the Office of Management and Budget on August 6, 1986, for review under E.O. 12291. NASA certifies that these regulations will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 et seq.). "Announcements of Opportunity" issued pursuant to this rule are subject to the Paperwork Reduction Act and 5 CFR 1320. OMB approval number 2700–0042 applies to these requirements.

List of Subjects in 48 CFR Ch. 18

Government procurement.

S.J. Evans,

Assistant Administrator for Procurement.

[FR Doc. 86–19485 Filed 8–28–86; 8:45 am]

BILLING CODE 7510-01-M

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 653

Red Drum Fishery of the Gulf of Mexico; Availability of Management Plan and Request for Comments

AGENCY: National Marine Fisheries Service (NMFS), NOAA,m Commerce.

ACTION: Notice of availability of management plan and request for comments.

SUMMARY: NOAA issues this notice that the Secretary of Commerce (Secretary) has prepared a Fishery Management Plan for the Red Drum Fishery of the Gulf of Mexico (FMP) and is requesting comments from the public. Copies of the FMP may be obtained from the address below.

DATE: Comments on the FMP should be submitted on or before November 8, 1986.

ADDRESS: All comments and requests for copies of the FMP should be sent to Jack T. Brawner, Regional Director, National Marine Fisheries Service, Southeast Region, 9450 Koger Boulevard, St. Petersburg, FL 33702. If commenting on the FMP, mark "Comments on Red Drum Plan" on the envelope.

FOR FURTHER INFORMATION CONTACT: Paul J. Leach (Plan Coordinator), 813–893–3721.

SUPPLEMENTARY INFORMATION: The FMP was prepared under authority of section 304(c) of the Magnuson Fishery Conservation and Management Act, as amended, (Magnuson Act). The Magnuson Act requires that the Secretary submit the FMP to the appropriate Council (i.e., Gulf of Mexico Fishery Management Council) for consideration and comment. The Magnuson Act also requires that the Secretary will consider public comments in determining whether to implement the FMP.

This FMP proposes regulations for managing the commercial fishery for red drum in the fishery conservation zone of the Gulf of Mexico as well as other fisheries that have an incidental catch of red drum. The FMP suggests a State/Federal cooperative approach and recommends that the Gulf States establish uniform size and bag limits for recreational drum fishing, participate in cooperative research, and further efforts to conserve coastal wetland habitat used by juvenile red drum.

Proposed regulations based on this FMP are scheduled to be published within 30 days.

Dated: August 26, 1986.

Richard B. Roe,

Director, Office of Fisheries Management National Marine Fisheries Service.

[FR Doc. 86–19644 Filed 8–26–86; 4:54 pm]

BILLING CODE 3510-22

Notices

Federal Register
Vol. 51, No. 168
Friday, August 29, 1986

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

DEPARTMENT OF AGRICULTURE

Agribusiness Promotion Council; Meeting

Notice is hereby given that the Committee on the Caribbean Subregion of USDA's Agribusiness Promotion Council, advisory group to the Secretary of Agriculture on matters pertaining to the Caribbean Basin, will meet on September 5, 1986 from 4:00 to 5:15 PM at the Convention Center in San Juan, Puerto Rico. The Committee meeting will be held in conjunction with USDA's Agribusiness Development Workshop hosted by the Economic Development Administration of Puerto Rico. The agenda will consist of discussions on intensifying trade and investment activities between the U.S. and Eastern Caribbean private sectors. The U.S. Agency for International Development for the Eastern Caribbean in Bridgetown, Barbados will facilitate the meeting. The meeting will be open to the public. Written statements may be submitted to Joan S. Wallace, Administrator, USDA/OICD Room 3047, South Building, Washington, DC 20250–4300, until September 1, 1986.

Tommye Cooper,
Acting Administrator, OICD
August 20, 1986.

[FR Doc. 86–19579 Filed 8–28–86; 8:45 am]
BILLING CODE 3410-DB-M

Commodity Credit Corporation

1987 Program for Extra Long Staple Cotton; Proposed Determinations

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Notice of proposed determinations.

SUMMARY: The Secretary of Agriculture proposes to make the following determinations with respect to the 1987 crop of extra long staple (ELS) cotton: (a) The loan level; (b) the established (target) price; (c) the national program acreage; (d) whether a voluntary reduction percentage should be proclaimed and, if so, the amount of such percentage reduction; (e) whether an acreage reduction program (ARP) should be established and, if so, the percentage of reduction to be made in accordance with such program; (f) uses of Acreage Conservation Reserve acreage; (g) whether binding contracts should be required for producers desiring to participate in any acreage reduction program; (h) whether a land diversion program should be established and, if so, the percentage of diversion and the payment rate; (i) whether offsetting compliance should be required of producers as a condition of eligibility for loans and deficiency payments; (j) the loan level for seed cotton; (k) whether advance deficiency payments should be offered; (l) whether an advance recourse commodity loan program should be implemented; (m) cost reduction options; and (n) other related determinations. These determinations are required to be made pursuant to the Agricultural Act of 1949, as amended, (hereinafter referred to as the "1949 Act") and the Commodity Credit Corporation (CCC) Charter Act.

DATE: Comments must be received on or before September 17, 1986, in order to be assured of consideration.

FOR FURTHER INFORMATION CONTACT: Charles V. Cunningham, Leader Fibers Group, Commodity Analysis Division, USDA-ASCS, Room 3741, South Building, P.O. Box 2415, Washington, DC 20013 or call (202) 447–7954. The Preliminary Regulatory Impact Analysis describing the options considered in developing these proposed determinations is available on request from the above-named individual.

SUPPLEMENTARY INFORMATION: This notice has been reviewed under USDA procedures established in accordance with Executive Order 12291 and Department Regulation No. 1512–1 and has been designated as "not major" since the proposed provisions are not likely to result in: (1) An annual effect on the economy of $100 million or more; (2) a major increase in costs or prices for consumers, indivdual industries, Federal, State, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic or export markets.

The titles and numbers of the federal assistance programs to which this notice applies are: Cotton Production Stabilization, Number 10.052 and Commodity Loans and Purchases, Number 10.051, as found in the Catalog of Federal Domestic Assistance.

It has been determined that the Regulatory Flexibility Act is not applicable to this notice since there is no requirement that a notice of proposed rulemaking be published in accordance with 5 U.S.C. 553 or any other provision of law with respect to the subject matter of these proposed determinations.

This program/activity is not subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. See the Notice related to 7 CFR Part 3015, Subpart V, published at 48 FR 29115 (June 24, 1983).

It is necessary that the determinations for the 1987 crop of ELS cotton be made in sufficient time to permit ELS cotton producers to make plans for the production of their crop. Therefore, comments with respect to the following proposed determinations must be received by September 17, 1986, in order to allow the Secretary an adequate period to consider the comments before making the program decisions.

Proposed Determinations

A. *Loan level.* Section 103(h)(2) of the 1949 Act provides that the Secretary shall determine and announce the loan level for the 1987 crop of ELS cotton by December 1, 1986. The loan level must be established at 85 percent of the simple average price received by producers of ELS cotton during 3 years of the 5-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period. Based on data through March, 1986, the 1987 loan level is calculated as follows:

(1) Simple average price received by producers (cents per pound):

August 1, 1981–July 31, 1982	96.90
August 1, 1982–July 31, 1983	98.50
August 1, 1983–July 31, 1984	106.00
August 1, 1984–July 31, 1985	91.90
August 1, 1985–July 31, 1986	89.00

(2) Five year average after dropping high and low years:
(96.90+98.50+91.90)/3=95.77.

(3) Multiply result by .85:
95.77×.85=81.40 cents per pound=estimated 1987 loan rate for ELS cotton.

B. *The established (target) price.* Section 103(h)(3)(B) of the 1949 Act provides that the established (target) price for the 1987 crop of ELS cotton shall be 120 percent of the 1987-crop ELS loan level. Based on data as of March 1986, the 1987 target price equals 1.20×81.40 or 97.68 cents per pound.

C. *National program acreage.* Section 103(h)(4) of the 1949 Act provides that the Secretary shall proclaim a national program acreage (NPA) for the 1987 crop of ELS cotton. Such NPA may, however, be revised for the purpose of determining the allocation factor if the Secretary determines it necessary based upon the latest information. Any revision in the NPA shall be announced as soon as it has been made. The 1987 NPA shall be the number of harvested acres the Secretary determines will be necessary, based on the estimated weighted national average of the farm program payment yields for the 1987 crop, to produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the 1987-88 marketing year.

The NPA shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply and the stocks not accounted for by official domestic consumption and export data, so as to provide an adequate but not excessive supply of ELS cotton for the 1987-88 marketing year. In no event shall the national program acreage be less than 60,000 acres. If an acreage reduction program is established for the 1987 crop of ELS cotton, the NPA determination will not be applicable.

A carryover of 50,000 bales is considered to provide an adequate, but not excessive, supply. Based on July estimates, the national program acreage for the 1987 crop of ELS cotton would be:

(a) Estimated domestic consumption, 1987–88 (480 lb. net wt. bales)	50,000
(b) Plus estimated exports, 1987–88 (480 lb. net wt. bales)	100,000
(c) Minus estimated imports, 1987–88 (480 lb. net wt. bales)	4,000
(d) Minus adjustment to bring stocks to desired level (480 lb. net wt. bales) [1]	3,000
(e) Plus adjustment for stocks estimated not accounted for by official domestic consumption and export data (480 lb. net wt. bales)	10,000
(f) Times 480 lb. per bale	73,440,000
(g) Divided by estimated national average of farm program yields (lbs./acre)	915
(h) Equal 1987 calculated National Program Acreage (acres)	80,262
(i) Statutory minimum National Program Acreage (acres)	60,000

[1] The 1987 beginning stock level is estimated to be 53,000 bales. Therefore, the stock adjustment is 53,000 bales minus 50,000 bales or 3,000 bales.

Based, on July estimates the NPA, if applicable, would be 80,262 acres.

Comments from interested persons on the NPA and the appropriate stock adjustment for the 1987 crop of ELS cotton, along with appropriate supporting data, are requested.

D. *Voluntary reduction percentage.* Section 103(h)(6) of the 1949 Act provides that the 1987 individual farm program acreages of ELS cotton eligible for payments shall not be further reduced by application of an allocation factor if the producer reduces the acreage of ELS cotton planted for harvest on the farm from the 1987-crop ELS cotton acreage base established for the farm by at least the percentage recommended by the Secretary in the proclamation of the national program acreage for the 1987 crop. If an acreage reduction program is implemented for the 1987 crop of ELS cotton, the voluntary reduction percentage shall not be applicable to such crop. If required, the recommended national reduction percentage for the 1987-crop of ELS cotton would be:

(a) 1987 estimated ELS cotton acreage base	82,000
(b) Minus 1987 NPA	80,262
(c) Equals reduction needed from acreage base	1,738
(d) Divided by 1987 ELS cotton acreage base	82,000
(e) Equals 1987 crop reduction percentage	2 percent.

Comments from interested persons with respect to the voluntary reduction percentage are requested.

E. *Whether an Acreage Reduction Program (ARP) should be established and, if so, the percentage of such reduction.* Section 103(h)(8)(A) of the 1949 Act provides that the Secretary may establish a limitation on the acreage planted to ELS cotton if the Secretary determines that the local supply of ELS cotton will, in the absence of such limitation, be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each ELS-cotton-producing farm. Producers who knowingly produce ELS cotton in exces of the permitted ELS cotton acreage shall be ineligible for ELS cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of an acreage limitation shall be the average acreage planted on the farm to ELS cotton for harvest in the three crop years immediately preceding the year prior to the year for which the determination is made. For the purpose of determining the acreage base, the acreage planted to ELS cotton for harvest shall include any acreage which producers were prevented from planting to ELS cotton or other nonconserving crops in lieu of ELS cotton because of drought, flood, or other natural disaster or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines necessary to establish a fair and equitable base.

A number of acres on the farm determined by dividing (a) the product obtained by multiplying the number of acres required to be withdrawn from the production of ELS cotton times the number of acres actually planted to ELS cotton, by (b) the number of acres authorized to be planted to ELS cotton in accordance with the acreage limitation established by the Secretary, shall be devoted to approved conservation uses in accordance with regulations issued by the Secretary. If an acreage limitation program is in effect for the 1987 crop of ELS cotton, the national program acreage, program allocation factor, and voluntary reduction provisions of section 103(h) of the 1949 Act will not be applicable to such crop. The individual farm program

acreage shall be the acreage planted on the farm to ELS cotton for harvest within the permitted ELS cotton acreage established for the farm under the acreage limitation program.

The need for an acreage limitation program for the 1987 crop of ELS cotton will depend upon the projected level of ending stocks for the 1986–87 marketing year and the likely demand for ELS cotton in 1987–88. Estimates as of July 1986 indicate that production may equal utilization in 1986–87, resulting in ending stocks of an estimated 53,000 bales, close to the desirable level of 50,000 bales. Demand is projected to drop slightly for the 1987–88 season; therefore, some reduction in production may be needed to keep stocks near the 50,000 bale level. Options under consideration at this time include no ARP, a 10-percent ARP and a 15-percent ARP. However, future developments in weather conditions, market trends, and projections of supply and use could affect the suitability of various production adjustment programs. Options considered at the final determination stage may vary depending upon conditions in existence and information available at that time.

Interested persons are encouraged to comment on the need for an acreage limitation program for the 1987 crop of ELS cotton, and the appropriate percentage of any such reduction.

F. *Uses of Acreage Conservation Reserve (ACR) acreage.* Section 103(h)(A) of the 1949 Act provides that the regulations issued by the Secretary with respect to acreage required to be devoted to conservation uses shalla assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye or other commodity if the Secretary determines that such provision is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

Interested persons are invited to comment on the provisions concerning the uses of ACR acreage.

G. *Whether contracts signed by the producer should be binding at the end of the enrollment period for the 1987 ELS Cotton Program.* For the 1986 ELS Cotton Program, contracts signed by program participants are considered to be binding contracts. The contracts also provide for liquidated damages in the event the producer does not fulfill the terms and conditions of the contract. This type of contract is also under consideration for the 1987 ELS Cotton Program.

Interested persons are requested to comment on the use of binding contracts for the 1987 ELS Cotton Program.

H. *Whether a land diversion program should be established and, if so, the extent of such diversion and the level of payments.* Section 104(h)(8)(B) of the 1949 Act provides that the Secretary may make land diversion payments to producers of ELS cotton, whether or not an acreage limitation for ELS cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage to desirable goals. Such land diversion payments shall be made to producers who devote to conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producer or in such manner as the Secretary determines appropriate. In the past, land diversion payments have been made based upon an offer rate system (i.e., specific rate per pound times the farm program payment yield).

Interested persons are encouraged to address the need for a land diversion program and the appropriate terms and conditions of such a program.

I. *Whether to require offsetting compliance if an acreage reduction program is established.* Section 103(h)(13) of the 1949 Act provides that the Secretary may issue such regulations as the Secretary determines to be necessary to carry out the ELS cotton program. In some prior crop years, the Secretary has promulgated regulations providing for offsetting compliance requirements. If offsetting compliance is required, operators and owners of farms would have to ensure thas all of the farms in which they had an interest were either in compliance with the program requirements or that the acreages of ELS cotton planted for harvest on each of such farms did not exceed the ELS cotton acreage bases which were established for such farms. Offsetting compliance was not in effect for the 1986 crop.

Interested persons are encouraged to comment on the need for offsetting compliance for the 1987-crop of ELS cotton if an acreage reduction program is established.

J. *Loan level for ELS seed cotton.* Section 103(h)(17) of the 1949 Act provides that in order to assist producers in the orderly ginning and marketing of their ELS cotton production, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Chapter Act. Consideration is being given to the level at which loans should be made available for seed cotton under the 1987 program. The loan level presently being considered for seed cotton is 100 percent of the loan level which is applicable for lint cotton. Such loans would be made on the value of the seed cotton adjusted to a lint basis.

Comments from interested persons are requested on the appropriate loan level for seed cotton and the method of adjustment of the value of such cotton to a lint basis for the purpose of determining loan value.

K. *Advance deficiency payments.* Section 103(h)(3)(C) of the 1949 Act provides that if the Secretary establishes an acreage limitation program for the 1987 crop of ELS cotton and determines that deficiency payments will likely be made for such crop, the Secretary may make available advance deficiency payments to producers who agree to participate in the acreage limitation program. Such advance payments shall be made available to producers as soon as practicable after the producer files a notice of intention to participate in the acreage limitation program and in such amount as the Secretary determines appropriate to encourage adequate participation in such program, except that the advance payment shall not exceed an amount determined by multiplying (1) the estimated farm program acreage for the crop, by (2) the farm program payment yield for the crop, by (3) 50 percent of the projected payment rate.

Comments are requested as to whether advance deficiency payments should be made for the 1987 crop of ELS cotton and, if so, in what amount and what manner of payment.

L. *Advance recourse loans.* Section 424 of the 1949 Act provides that the Secretary may make advance recourse loans to producers of commodities for which nonrecourse loans are available if it is determined such a program is necessary to ensure adequate operating credit is available to producers. These recourse loans may be made available under terms and conditions prescribed by the Secretary except that the

producer shall be required to obtain crop insurance for the crop as a condition of eligibility for such loan.

Comments are requested as to whether an advance recourse loan program should be offered for ELS cotton since nonrecourse loans are available for the 1987 crop.

M. *Cost reduction options.* Section 1009(a) of the Food Security Act of 1985 provides that whenever the Secretary determines that an action authorized by section 1009(c), (d) and (e) will reduce the total of the direct and indirect costs to the Federal Government of a commodity program administered by the Secretary without adversely affecting income to small and medium size producers participating in such programs, the Secretary shall take such action with respect to that commodity program. These actions include: (1) commercial purchases of commodities by the Secretary, (2) the settlement of nonrecourse loans at an amount less than the total of the principal loan amount and accumulated interest, but not less than the principal amount, if such action will result in: (A) receipt of a portion rather than none of the accumulated interest, (B) avoidance of default of the loan, and (C) elimination of storage, handling and carrying charges on the forfeited loan collateral, and (3) reopening of a production control or loan program at any time prior to harvest for the purpose of accepting bids from producers for the conversion of acreage planted to a program crop to diverted acreage in return for in-kind payments if the Secretary has determined that: (1) changes in domestic or world supply or demand conditions have substantially changed after announcement of the program for that crop and (2) without action to further adjust production, the Federal Government and producers will be faced with a burdensome and costly surplus. Such payments are not subject to the maximum payment limitation of section 1001 but are limited to $20,000 per year per producer for any one commodity.

Accordingly, comments are requested on the manner in which these cost reduction options should be administered in the event the Secretary determines to implement any of these provisions.

N. *Other related provisions.* A number of other determinations must be made in order to carry out the ELS cotton loan program such as: (1) commodity eligibilty; (2) micronaire discounts; (3) loan levels for the individual qualities of 1987-crop ELS cotton; and (4) such other provisions as may be necessary to carry out the program.

Consideration will be given to any data, views and recommendations that may be received relating to the above items.

Section 103(h), (7 Stat. 494 (USC 1444(h)).

Signed at Washington, DC, on August 26, 1986.

Earle J. Bedenbaugh,

Acting Executive Vice President, Commodity Credit Corporation.

[FR Doc. 86-19665 Filed 8-27-86; 9:39 am]

BILLING CODE 3410-05-M

Proposed Determinations With Regard to the 1987 Upland Cotton Program

AGENCY: Commodity Credit Corporation, USDA.

ACTION: Notice of proposed determinations.

SUMMARY: The Secretary of Agriculture proposes to make the following determinations with respect to the 1987 crop of upland cotton: (a) the loan level; (b) whether Plan A or Plan B should be implemented and the loan repayment level under the chosen Plan; (c) whether loan deficiency payments should be made available, and, if so, whether such payments should be made available in cash only or in cash and commodity certificates; (d) the established "target" price; (e) the national program acreage; (f) whether a voluntary reduction percentage should be proclaimed and, if so, the amount of such percentage reduction; (g) whether an acreage limitation program should be implemented and, if so, the percentage reduction under such acreage limitation program; (h) whether an optional land diversion program should be established and, if so, the percentage of diversion required under such land diversion program; (i) whether a portion of any deficiency and diversion payments which might be made available should be made available in advance and, if so, at what level; (j) whether the inventory reduction program should be implemented; (k) whether commodity certificates should be issued under the 1987 Upland Cotton Program, whether such certificates should be generic or commodity-specific, and what restrictions should be placed on the use of such certificates; (l) the loan level for seed cotton; (m) cost reduction options; and (n) other related determinations. These determinations are to be made in accordance with the Agricultural Act of 1949, as amended (the "1949 Act"), 7 U.S.C. 1421 *et seq.*, and the Commodity Credit Corporation Charter Act, as amended, 7 U.S.C. 714 *et seq.*

DATE: Comments must be received on or before September 17, 1986, in order to be assured of consideration.

ADDRESS: Dr. Howard C. Williams, Director, Commodity Analysis Division, USDA-ASCS, Room 3741, South Building, P.O. Box 2415, Washington, DC 20013.

FOR FURTHER INFORMATION CONTACT: Charles V. Cunningham, Leader, Fibers Group, Commodity Analysis Division, USDA-ASCS, Room 3741 South Building, P.O. Box 2415, Washington, DC 20013 or call (202) 447-7954. The Preliminary Regulatory Impact Analysis describing the options considered in developing this proposed determination and the impact of implementing each option is available on request.

SUPPLEMENTARY INFORMATION: This notice has been reviewed under USDA procedures established in accordance with Executive Order 12291 and Departmental Regulation No. 1512-1 and has been designated as "major". It has been determined that these program provisions will result in an annual effect on the economy of $100 million or more.

The titles and numbers of the Federal assistance programs to which this notice applies are: Title-Cotton Production Stabilization: Number 10.052 and Title-Commodity Loans and Purchases: Number 10.051, as found in the catalog of Federal Domestic Assistance.

It has been determined that the Regulatory Flexibility Act is not applicable to this notice since the Commodity Credit Corporation ("CCC") is not required by 5 U.S.C. 553 or any other provision of law to publish a notice of proposed rulemaking with respect to the subject matter of this notice.

This program is not subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. See the Notice related to 7 CFR Part 3015, Subpart V, published at 48 FR 29115 (June 24, 1983).

On May 13, 1986 (51 FR 17598) a notice of proposed determinations was published which set forth provisions common to the 1987 wheat, feed grain, upland cotton, and rice price support and production adjustment programs.

The comments applicable only to the 1987 crop of upland cotton which were received with respect to such notice and the comments received with respect to this notice of proposed determination will be reviewed in determining the provisions of the 1987 Upland Cotton Program.

It is necessary that the determinations for the 1987 crop of upland cotton be

made in sufficient time to permit upland cotton producers to make plans for the production of their crop. Therefore, comments with respect to the following proposed determinations must be received by September 17, 1986, in order to allow the Secretary an adequate period to consider the comments before making the program decisions.

Accordingly, the following program determinations with respect to the 1987 crop of upland cotton are to be made by the Secretary:

Proposed Determinations

a. *Loan level for upland cotton.* Section 103A(a)(1) of the 1949 Act provides that, for the 1987 crop of upland cotton, the Secretary shall make nonrecourse loans available to producers at such level as will reflect for Strict Low Middling (SLM) one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (1) 85 percent of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period (hereinafter referred to as the "spot market calculation"); or (2) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan level is announced, of the 5 lowest-priced growths of the growths quoted for Middling one and three-thirty-seconds inch cotton, C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern European price quotation and quotations in the designated United States spot markets for SLM 1 1/16 inch cotton (micronaire 3.5 through 4.9)) (hereinafter referred to as the "northern European calculation").

Section 103A(a)(2) of the 1949 Act provides that the loan level may not be reduced by more than 5 percent from the loan level determined for the preceding crop, nor below 50 cents per pound. Further, if the northern European calculation results in a price which is less than the price derived from the spot market calculation, the Secretary may increase the loan level to such a level as the Secretary deems appropriate, but not in excess of the level which is determined based upon the spot market calculation.

The spot market calculation cannot be completed until after complete spot market data for the 1985–86 marketing year is obtained. Based upon quotations through May 1986, the spot market calculation is as follows:

(1) Weighted average spot market prices for SLM 1 1/16 inch upland cotton (micronaire 3.5 through 4.9):

August 1981 through July 1982—83.77 cents/lb.

August 1982 through July 1983—57.66 cents/lb.

August 1983 through July 1984—61.79 cents/lb.

August 1984 through July 1985—71.58 cents/lb.

August 1985 through May 1986—59.00 cents/lb.

(2) Average of the five years, excluding the highest and lowest years:

61.79+71.58+59.00/3=64.12 cents/lb.

(3) Loan rate based on U.S. spot market calculations through May 1986:

64.12x.58=54.50 cents/lb.

The northern European calculation cannot be performed at this time since the 1949 Act provides that the calculation must be based upon market quotations through October 15, 1986. However, if Northern Europe prices continue their current trend, 90 percent of the 15-week adjusted Northern European average will be well below the statutory minimum loan rate of 52.25 cents per pound, so that the 1987-crop upland cotton loan rate is likely to be the statutory minimum of 52.25 cents per pound.

Section 103A(a)(3) of the 1949 Act provides that the Secretary shall determine and announce the loan rate for the 1987 crop by November 1, 1986.

Comments on the upland cotton loan rate, along with supporting data, are requested from interested persons.

b. *Plan A/Plan B and loan repayment level.* Section 103A(a)(5) provides that if the Secretary determines that the prevailing world market price for upland cotton (adjusted to United States quality and location) is below the loan level determined under section 103A(a) (1) and (2), then, in order to make United States upland cotton competitive in world markets, the Secretary shall implement the provisions of Plan A or Plan B. If the Secretary elects to implement Plan A, the Secretary shall permit a producer to repay a loan made for the 1987 crop at a level determined and announced by the Secretary at the same time the Secretary announces the 1987 loan level. Such repayment level for the 1987 crop shall not be less than 80 percent of the 1987 loan level. Such repayment level, once announced for the crop, shall not thereafter be changed.

Section 103A(a)(5) further provides that if the Secretary elects to implement Plan B, the Secretary shall permit a producer to repay a loan made for the 1987 crop at the lesser of (1) the 1987 loan level; or (2) the prevailing world market price for upland cotton (adjusted to United States quality and location), as determined by the Secretary. Section 103A(a)(5) further provides that for the 1987 crop of upland cotton, if the prevailing world market price for cotton (adjusted to United States quality and location) as determined by the Secretary, is less than 80 percent of the 1987 loan level, the Secretary may permit a producer to repay the 1987 loan at such a level (not in excess of 80 percent of the 1987 loan level) as the Secretary determines will (1) minimize potential loan forfeitures; (2) minimize the accumulative of cotton stocks by the Federal Government; (3) minimize the cost incurred by the Federal Government in Storing cotton; and (4) allow cotton produced in the United States to be marketed freely and competitively, both domestically and internationally.

Comments are requested on whether Plan A or Plan B should be implemented for the 1987 crop of upland cotton and the level of the 1987 loan repayment rate.

c. *Loan deficiency payments.* Section 103A(b)(1)–(5) provides that for the 1987 crop of upland cotton, the Secretary may make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining such loan in return for such payments. Pursuant to that section, payments shall be computed by multiplying (1) the loan payment rate, by (2) the quantity of upland cotton the producer is eligible to place under loan. The section provides that the loan payment rate shall be the amount by which the loan level exceeds the loan repayment rate and that the quantity of upland cotton eligible to be placed under loan may not exceed the product obtained by multiplying the individual farm program acreage for the crop by the farm program payment yield established for the farm. Section 103A(b) further provides that the Secretary may make up to one-half the amount of such payment in the form of negotiable marketing certificates.

Comments are requested on whether loan deficiency payments should be made available and if so, the percentage of each loan deficiency payment to be made available in the form of negotiable marketing certificates.

d. *The established (target) price.* Section 103A(c)(1)(A) of the 1949 Act provides that the Secretary shall make

payments available to producers of upland cotton for the 1987 crop year in an amount computed by multiplying (1) the payment rate, by (2) the individual farm program acreage, by (3) the farm program payment yield.

Section 103A(c)(1)(C) provides that the payment rate for the 1987 crop of upland cotton shall be the amount by which the established "target" price for the crop exceeds the higher of (1) the national average market price received by producers during the calendar year that includes the first 5 months of the marketing year for such crop, as determined by the Secretary, or (2) the loan level for the crop. Section 103A(c)(1)(D) provides that the established "target" price for the 1987 crop of upland cotton shall not be less than $0.794 per pound. Section 103A(c)(1)(F) provides that the Secretary may pay not more than 5 percent of the total amount of such payments in the form of upland cotton, and that the use of upland cotton in making payments to producers shall be subject to a determination by the Secretary that such in-kind payments will not have a detrimental effect on market prices for any commodity.

Comments are requested on the level of the 1987 target price and whether the Secretary should make a portion of the 1987 upland cotton crop deficiency payment in the form of in-kind compensation.

e. *National program acreage.* Section 103A(d)(1) of the 1949 Act provides that the Secretary shall proclaim a national program acreage (NPA) for the 1987 crop by November 1, 1986. Such NPA may, however, be revised for the purpose of determining the allocation factor if the Secretary determines it necessary based upon the latest information. Any revision shall be announced as soon as it has been made. The NPA shall be the number of harvested acres the Secretary determines necessary, based on the estimated weighted national average of the farm program payment yields for the 1987 crop, to produce the estimated quantity (less imports) that will be utilized domestically and for export during the 1987–88 marketing year. The Secretary may make such adjustments in the NPA as he determines necessary, taking into consideration the estimated carryover supply, to provide for an adequate but not excessive total supply of cotton for the 1987–88 marketing year. In no event shall the national program acreage be less than 10 million acres. If an acreage reduction program is implemented for the 1987 crop of upland cotton, the NPA determination will not be applicable. A carryover of 4.0 million bales is considered to provide an adequate, but not excessive, supply. If required, the national program acreage for the 1987 crop of upland cotton is currently estimated to be:

(a) Estimated domestic consumption, 1987–88 (480 lb. net wt. bales)	6,800,000
(b) Plus estimated exports, 1987–88 (480 lb. net wt. bales)	6,200,000
(c) Minus estimated imports, 1987–88 (480 lb. net wt. bales)	10,000
(d) Minus adjustment to bring stocks to desired level (480 lb. net wt. bales)[1]	3,700,000
(e) Times 480 lbs. per bale equals desired pounds	4,459,200,000
(f) Divided by estimated national average of farm program yields (lbs/acre)	590
(g) Equal 1987 calculated National Program Acreage (acres)	7,557,966
(h) Statutory minimum National Program Acreage (acres)	10,000,000

[1] The 1987 beginning stock level is estimated to be 7.7 million bales. Therefore, the stock adjustment is 7.7 million bales minus 4.0 million bales equal 3.7 million bales.

In the event a NPA were established for the 1987 crop, 10.0 million acres would likely be the established NPA since the NPA cannot be less than 10.0 million acres. A NPA was not announced for the 1986 crop of upland cotton since an acreage reduction program was implemented for such crop.

Comments from interested persons on the NPA calculations for the 1987 crop of upland cotton, along with appropriate supporting data, are requested.

f. *Voluntary reduction percentage.* Section 103A(d) (3) of the 1949 act provides that the individual farm program acreages for the 1987 crop of upland cotton which are eligible for payments shall not be further reduced by application of an allocation factor if the producer reduces the acreage of upland cotton planted for harvest on the farm from the acreage base established for the farm for the 1987 crop of upland cotton by at least the percentage recommended by the Secretary in the proclamation of the national program acreage for the 1987 crop. If an acreage reduction program is implemented for the 1987 crop of upland cotton, the voluntary reduction percentage shall not be applicable to such crop. If required, the recommended national reduction percentage for the 1987-crop of upland cotton is currently estimated to be:

(a) 1987 estimated upland cotton acreage base	15,400,000
(b) Minus 1987 NPA	10,000,000
(c) Equals reduction needed from acreage base	5,400,000
(d) Divided by 1987 upland cotton acreage base	15,400,000
(e) Equals 1987 crop reduction percentage	35 percent

Comments from interested persons with respect to the voluntary reduction percentage are requested.

g. *Acreage limitation program.* Section 103A(f) of the 1949 Act provides that, with respect to the 1987 crop of upland cotton, if the Secretary determines the total supply of upland cotton, in the absence of an acreage limitation program (ALP), will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for an acreage limitation program.

If the Secretary elects to put an ALP into effect for 1987, the Secretary shall announce the program not later than November 1, 1986. The Secretary shall, to the maximum extent practicable, carry out an ALP for the 1987 crop of upland cotton in a manner that will result in a carryover of 4 million bales of upland cotton.

If an upland cotton ALP is announced, such reduction shall be achieved by applying a uniform percentage reduction (not to exceed 25 percent) to the upland cotton crop acreage base for the crop for each upland cotton-producing farm. Producers who knowingly produce upland cotton in excess of the permitted upland cotton acreage for the farm shall be ineligible for loans and payments with respect to that farm. Acreage on the farm to be devoted to conservation uses shall be determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres planted to upland cotton, by (2) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary. This acreage is referred to as "reduced acreage."

Comments are requested with regard to the percentage level at which an ALP should be implemented for the 1987 crop of upland cotton.

h. *Land diversion program.* Section 103A(f) (4) (A) of the 1949 Act provides that the Secretary may make land diversion payments to producers of upland cotton, whether or not an ALP is in effect, if the Seceretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with

land diversion contracts entered into with the Secretary.

The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

Any additional acreage reduction (beyond the ALP) under a land diversion program (LDP) would be at a producer's option. If such a program were implemented, the Secretary proposes to make payments in the form of cash or commodity certificates.

Comments are requested with respect to the need for an optional paid LDP as well as the provisions of such program.

i. *Advance deficiency and diversion payments.* Section 107C(a)(1) of the 1949 Act provides that if the Secretary establishes an acreage limitation program for the 1987 crops of upland cotton, and determines that deficiency payments will likely be made for the 1987 crop, the Secretary may make advance deficiency payments available to producers who agree to participate in such program for the 1987 crop.

Section 107C(a)(2)(E) provides that such payments shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

Section 107C(a)(2)(F) provides that advance payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying (1) the estimated farm program acreage for the crop, by (2) the farm program payment yield for the crop, by (3) 50 percent of the projected payment rate as determined by the Secretary.

Section 107C(b) provides that if the Secretary makes land diversion payments to assist in adjusting the total national acreage of the 1987 crop of upland cotton to desirable levels, the Secretary may make at least 50 percent of such payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for such payments.,

Comments are requested as to whether a portion of the deficiency and diversion payments for the 1987 crop of upland cotton should be made in advance and, if so, the level of such payments.

j. *Inventory reduction program.* Section 103A(g) of the 1949 Act provides that the Secretary may, for the 1987 crop of upland cotton, make payments available to producers who: (1) agree to forgo obtaining a loan; (2) agree to forgo receiving deficiency payments; and (3) do not plant upland cotton for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under the announced acreage limitation program. Such payments shall be made in the form of upland cotton which is owned by CCC and shall be subject to the availability of such upland cotton. Payments under this program shall be determined by multiplying (a) the loan payment rate (loan rate minus loan repayment rate) by (b) the quantity of upland cotton the producer is eligible to place under loan.

Comments are requested as to whether an inventory reduction program should be implemented in 1987.

k. *Commodity certificates.* Section 107E of the 1949 Act provides that, in making in-kind payments under any upland cotton program (other than negotiable marketing certificates), the Secretary may (1) acquire and use commodities that have been pledged to CCC as security for price support loans, and (2) use other commodities owned by CCC. Section 107E provides that the Secretary may make in-kind payments: (1) by delivery of the commodity to the producer at a warehouse or other similar facility, as determined by the Secretary; (2) by the transfer of negotiable warehouse receipts; (3) by the issuance of negotiable certificates which CCC shall redeem for a commodity; and (4) by such other methods as the Secretary determines appropriate to enable the producer to receive payments in an efficient, equitable, and expeditious manner so as to ensure that the producer receives the same total return as if the payments had been made in cash.

Section 103A(a)(5)(D) of the 1949 Act provides for the Secretary to make payments to first handlers in the form of negotiable marketing certificates if the Secretary determines that a loan program carried out in accordance with Plan A or Plan B fails to make upland cotton fully competitive in world markets and that the prevailing world market price of upland cotton is below the current loan repayment rate. CCC may assist any person receiving such negotiable marketing certificates in the redemption of such certificates for cash, or marketing or exchange of such certificates for upland cotton owned by CCC or (if the Secretary and the person agree) other agricultural commodities or the products thereof owned by the CCC at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the first handler program.

Section 506(b) of the 1949 Act, as amended, provides that, in the case of the 1987 crop year for a commodity, if the farm program payment yield for a farm is reduced more than 5 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity (in the form of commodities owned by CCC) in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 5 percent below the farm program payment yield for the farm for the 1985 crop year.

Commodity certificates exchangeable for upland cotton were issued with respect to the 1986 upland cotton price support and production adjustment program. Such certificates were issued for inventory protection payments, additional yield payments, 50 percent of loan deficiency payments, and first handler payments.

Comments are requested with respect to (1) whether certificates should be issued under the 1987 Upland Cotton Program, (2) whether such certificates should be exchangeable for only upland cotton or for other commodities owned by CCC or pledged to CCC as collateral for a price support loan, and (3) what restrictions should be placed on the use of such certificates.

1. *Loan level for seed cotton.* In the past, the Secretary has made recourse loans available to producers of seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act, 7 USC 714 *et seq.* Consideration is being given to whether such loans should be made available for the 1987 crop and, if so, the level at which such loans should be made available for seed cotton under the 1987 program. Comments are requested on the appropriate loan level for seed cotton and the method of adjustment to a lint basis for the purpose of determining the seed cotton loan value.

M. *Cost reduction options.* Section 1009(a) of the Food Security Act of 1985 provides that whenever the Secretary determines that an action authorized by section 1009(c), (d) or (e) will reduce the total of the direct and indirect costs to the Federal Government of a commodity program administered by the Secretary without adversely affecting the income of small and medium sized producers participating in such programs, the Secretary shall take such action with respect to that commodity program. These actions include: (1) commercial purchases of commodities with respect to which a nonrecourse loan program is in effect if the cost of such purchases plus carrying charges will probably be less than the comparable cost of later acquiring the commodity through default of the nonrecourse loans; (2) the settlement of nonrecourse loans at an amount less than the total of the principal loan amount plus accumulated interest, but not less than the principal amount, if such action will result in: (A) receipt of a portion rather than none of the accumulated interest, (B) avoidance of default on the loan, and (C) elimination of storage, handling and carrying charges on the forfeited loan collateral; and (3) reopening of a production control or loan program at any time prior to harvest for the purpose of accepting bids from producers for the conversion of acreage planted to a program crop to diverted acreage in return for in-kind payments if the Secretary has detemined that: (1) changes in domestic or world supply or demand conditions have substantially changed after announcement of the program for that crop and (2) the Federal Government and producers will be faced with a burdensome and costly surplus without action to further adjust production. Such payments are not subject to the maximum payment limitation of $50,000 set forth in section 1001 of the Food Security Act of 1985, but are limited to $20,000 per year per producer for any one commodity.

Comments are requested on the manner in which these cost reduction options should be administered in the event the Secretary determines to implement any of these provisions.

n. *Other related provisions.* A number of other determinations must be made in order to carry out the upland cotton loan program such as: (1) commodity eligibility; (2) premiums and discounts for grades, staples, and other qualities; (3) establishment of base loan rates by warehouse location; (4) the form of any deficiency, advance deficiency, diversion and loan deficiency payments (e.g. cash, commodities, commodity certificates) if such payments are made available under the 1987 Upland Cotton Program; and (5) such other provisions as may be necessary to carry out the programs..

Consideration will be given to any data, views and recommendations that may be received relating to these issues.

Authority: Secs. 103A, 107E, and 110 of the Agricultural Act of 1949, as amended; 99 Stat. 1445, 1395, as amended, 1448, 91 Stat. 951, as amended, (7 U.S.C. 1444e, 1445b–4, 1445b–5, and 1445e); Sec. 1009 of the Food Security Act of 1985; 99 Stat. 1406 (7 U.S.C. 1444e–1).

Signed at Washington, DC, on August 26, 1986.

Earle J. Bedenbaugh,

Acting Executive Vice President, Commodity Credit Corporation.

[FR Doc. 19666 Filed 8–27–86; 9:39 am]

BILLING CODE 3410–05–M

DEPARTMENT OF COMMERCE

Agency Forms Under Review by the Office of Management and Budget (OMB)

DOC has submitted to OMB for clearance the following proposals for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35).

Agency: Bureau of the Census
Title: 1989 Census Dress Rehearsal-Prelist Operation
Form number: Agency—DX–101A, DX–169, DX–31; OMB—NA
Type of request: New collection
Burden: 135,107 respondents; 3,378 reporting hours
Needs and uses: The survey will be used to evaluate various methods for address list compilation and update to be used in the 1990 Decennial Census.
Affected public: Individuals or households
Frequency: One time
Respondent's obligation: Mandatory
OMB desk officer: Timothy Sprehe, 395–4814

Agency: Bureau of the Census
Title: December 1986 General Education Development Test Supplement
Form number: Agency—CPS–1; OMB—NA
Type of request: New collection
Burden: 14,550 respondents; 72 reporting hours
Needs and uses: This test, to be conducted in December 1986, will provide data on the number of persons receiving GED's in the United States. The data will be used to test the October 1986 educational attainment estimates for persons 14 years or over who are not currently attending college.
Affected public: Individuals or households
Frequency: One time
Respondent's obligation: Voluntary
OMB desk officer: Timothy Sprehe 395–4814

Copies of the above information collection proposals can be obtained by calling or writing DOC Clearance Officer, Edward Michals, (202) 377–4217, Department of Commerce, Room 6622, 14th and Constitution Avenue, NW., Washington, DC 20230.

Written comments and recommendations for the proposed information collections should be sent to Timothy Sprehe, OMB Desk Officer, Room 3235, New Executive Office Building, Washington, DC 20503.

Dated: August 25, 1986.

Edward Michals,

Departmental Clearance Officer, Information Management Division.

[FR Doc. 86–19618 Filed 8–28–86; 8:45 am]

BILLING CODE 3510–07–M

Presidential Board of Advisors on Private Sector Initiatives; Notice of Open Meeting

AGENCY: Office of the Secretary, Office of the General Counsel and Office of Business Liaison, Commerce.

SUMMARY: The Presidential Board of Advisors on Private Sector Initiatives will hold a meeting on September 11, 1986. Committee meetings will also be held on this date. Public comment is welcome.

Time and Place

Presidential Board of Advisors on Private Sector Initiatives.

Thursday, September 11, 1986, 8:30—10:00 a.m. and 3:30—5:00 p.m., at the Federal Home Loan Bank Board, 1700 G Street, N.W., Washington, D.C. 20552.

Committee Meetings

Thursday, September 11, 1986, 1:30—3:15 p.m., at the Federal Home Mortgage Corporation, 1776 G Street, N.W., Washington, D.C. 20006.

FOR FURTHER INFORMATION CONTACT: The Committee Control Officer, Mr. Robert H. Brumley, Deputy General Council, U.S. Department of Commerce, (202/377–4772) or the Alternate Control Officer, Nancy J. Olson, Director, Office of Business Liaison, U.S. Department of Commerce, (202/377–3942), Main

Commerce Building, Washington, D.C. 20230.

Nancy J. Olson,

Director, Office of Business Liaison.

Dated: August 26, 1986.

[FR Doc. 86-19701 Filed 8-27-86; 9:10 am]

BILLING CODE 3510-BW-M

International Trade Administration

Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes

This is a decision consolidated pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Pub. L. 89-651, 80 Stat. 897; 15 CFR Part 301). Related records can be viewed between 8:30 A.M. and 5:00 P.M. in Room 1523, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, DC.

Docket number: 86-079R. Applicant: Lutheran Institute of Human Ecology, Park Ridge, IL 60068. Instrument: Electron Microscope, Model H-600-3 with Accessories. Manufacturer: Hitachi Limited, Japan. Original notice of this resubmitted applicaiton was published in the **Federal Register** of February 6, 1986. Instrument ordered: August 27, 1985.

Docket number: 86-228. Applicant: Bowman Gray School of Medicine, Winston-Salem, NC 271093. Instrument: Electron Microscope, Model EM 10CA/CR/C. Manufacturer: Carl Zeiss, West Germany. Intended use: See notice at 51 FR 22845. Instrument ordered: April 7, 1986.

Docket number: 86-231. Applicant: The University of Texas System Cancer Center, Houston, TX 77030. Instrument: Electron Microscope, Model JEM-1200EX. Manufacturer: JEOL Ltd., Japan. Intended use: See notice at 51 FR 23255. Instrument ordered: March 31, 1986.

Docket number: 86-236. Applicant: Columbus Children's Hospital, Columbus, OH 43205. Instrument: Electron Microscope, Model H-600-3. Manufacturer: Hitachi Scientific Instruments, Japan. Intended use: See notice at 51 FR 25083. Instrument ordered: March 31, 1986.

Docket number: 86-239. Applicant: Veterans Administration Medical Center, Memphis, TN 38104. Instrument: Electron Microscope, Model JEM-1200EX. Manufacturer: JEOL Ltd., Japan. Intended use: See notice at 51 FR 25924. Instrument ordered: March 26, 1986.

Docket number: 86-243. Applicant: University of Georgia, Trifton, GA 31793. Instrument: Electron Microscope, Model EM 109T with Accessories. Manufacturer: Carl Zeiss Inc., West Germany. Intended use: See notice at 51 FR 25924. Instrument ordered: May 13, 1986.

Docket number: 86-247. Applicant: University of Pennsylvania, Philadelphia, PA 19104. Instrument: Electron Microscope, Model BE 10CA/CR/C. Manufacturer: Carl Zeiss, West Germany. Intended use: See notice at 51 FR 25925. Instrument ordered: April 17, 1986.

Docket number: 86-248. Applicant: University of Cincinnati, Cincinnati, OH 45267-0529. Instrument: Electron Microscope, Model H-600 CR/CR. Manufacturer: Hitachi Ltd., Japan. Intended use: See notice at 51 FR 26287. Instrument ordered: March 6, 1986.

Comments: None received. Decision: Approved. No instrument of equivalent scientific value to the foreign instrument, for such purposes as these instruments are intended to be used, was being manufactured in the United States at the time the instruments were ordered. Reasons: Each foreign instrument is a conventional transmission electron microscope (CTEM) and is intended for research or scientific educational uses requiring a CTEM. We know of no CTEM, or any other instrument suited to these purposes, which was being manufactured in the United States either at the time of order of each instrument or at the time of receipt of application by the U.S. Customs Service.

Frank W. Creel,

Director, Statutory Import Programs Staff.

[FR Doc. 86-19621 Filed 8-28-86; 8:45 am]

BILLING CODE 3510-DS-M

[A-588-068]

Steel Wire Strand for Prestressed Concrete From Japan; Final Results of Antidumping Duty, Administrative Review and Revocation in Part

AGENCY: International Trade Administration, Import Administration, Department of Commerce.

ACTION: Notice of Final Results of Antidumping Duty Administrative Review and Revocation in Part.

SUMMARY: On July 9, 1984, the Department of Commerce published the preliminary results of its administrative review and intent to revoke in part the antidumping finding on steel wire strand for prestressed concrete from Japan. The review covered thirteen of the fourteen known manufacturers and/or exporters of this merchandise to the United States currently covered by the finding and generally two consecutive periods from December 1, 1980 through November 30, 1982.

We gave interested parties an opportunity to comment on the preliminary results and intent to revoke in part. We received a comment from one manufacturer. Based on our analysis of the comment received, the final results of review are unchanged from those presented in the preliminary results for the firms covered by these final results, and we revoke the finding with regard to merchandise produced by Sumitomo Electric Industries, Ltd. and exported by Sumitomo Corp., Japan.

EFFECTIVE DATE: August 29, 1986.

FOR FURTHER INFORMATION CONTACT: Edward Haley or Robert J. Marenick, Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230, telephone: (202) 377-5289/5255.

SUPPLEMENTARY INFORMATION:

Background

On July 9, 1984, the Department of Commerce ("the Department") published in the **Federal Register** (49 FR 27966) the preliminary results of its administrative review and intent to revoke in part the antidumping finding on steel wire strand for prestressed concrete from Japan (43 FR 57599, December 8, 1978). The preliminary results covered thirteen of the fourteen known manufacturers and/or exporters of this merchandise to the United States currently covered by the finding and generally two consecutive periods from December 1, 1980 through November 30, 1982. The intent to revoke applied to merchandise produced and exported by Sumitomo.

In accordance with § 353.53(a) of the Commerce Regulations, the petitioner requested that we complete the administrative review for all exported merchandise produced by Shinko Wire Co., Suzuki Metal Industry Co., and Tokyo Rope Manufacturing Co. Sumitomo Electric Industries, Ltd. requested that we complete the review for that firm. The Department has now completed that administrative review in accordance with section 751 of the Tariff Act of 1930 ("the Tariff Act").

Scope of the Review

Imports covered by the review are shipments of steel wire strand, other than alloy steel, stress-relieved and suitable for use in prestressed concrete. Steel wire strand for prestressed concrete is currently classifiable under item 642.1120 of the Tariff Schedules of the United States Annotated.

The review covers twelve of the manufacturers and/or exporters of Japanese steel wire strand for prestressed concrete to the United States currently covered by the finding and generally two consecutive periods from December 1, 1980 through November 30, 1982. We are deferring review of Mitsui & Co., Ltd. We will cover that firm in a separate review.

Analysis of Comment Received

We gave interested parties the opportunity to comment on the preliminary results. One manufacturer, Tokyo Rope Mfg. Co., Ltd., submitted a written comment.

Comment

Tokyo Rope argues that the use of best information available for that company was not warranted. In each of the two periods of review, December 1, 1980 through November 30, 1981 and December 1, 1981 through November 30, 1982, Tokyo Rope made a small number of sales to the United States. As it had in previous responses to the Department, Tokyo Rope provided information on home market sales only for the months in which the U.S. sales were made. The Department in the review of those earlier responses had not informed Tokyo Rope that its responses were inadequate, nor had the Department resorted to best information in that review.

Tokyo Rope therefore did not submit full-year home market sales data in the current review because it did not understand that its responses were inadequate, it had no knowledge or understanding of the best information rule, and the Department failed to explain the situation to the company in writing. Tokyo Rope has now submitted with its comments full home market sales data which it urges the Department to use to determine Tokyo Rope's foreign market value.

Department's Position

Tokyo Rope has been inconsistent in reporting home market sales. The Department's first administrative review covered two distinct periods for Tokyo Rope, April 1, 1978 through March 31, 1979 and April 1, 1979 through November 30, 1980. In its response for the 1978–79 period, Tokyo Rope provided a complete listing of home market sales by both quantity and value. However, in its response for 1979–80, Tokyo Rope provided only selected months of home market sales information, and it is unclear that the sales data was complete even for the months submitted.

The record for the current review, which also covers two distinct periods for Tokyo Rope, shows the same pattern of selective reporting. In its response for 1980–81, Tokyo Rope again provided selected months of home market sales information. The Department subsequently requested that Tokyo Rope provide data for all individual home market sales. In response, we again received a listing of selected home market sales. On March 31, 1983, Tokyo Rope responded to our questionnaire covering 1981–82. The company reported only one sale to the U.S. and reported on only one home market sale for comparison with the U.S. sale. At that time, the Department reiterated its request for data on all home market sales for the period and fully explained our requirements, including the prospect of the use of best information available. Tokyo Rope stated that it had responded in the same manner since 1980 and refused to submit further information.

Thus, in its analysis of the responses submitted by Tokyo Rope during this current administrative review, the Department correctly identified the deficiencies regarding the reporting of home market sales, notified the company of those deficiencies, and provided the firm an opportunity to submit complete data.

The statute and the regulations provide for the use of the best information otherwise available when, as here, a party refuses to supply the Department with adequate information in a timely manner. The record here is clear that Tokyo Rope was provided the opportunity to correct its deficient responses, and it did not do so. Therefore, the Department will not consider the information submitted by Tokyo Rope subsequent to publication of the preliminary results.

Final Results of Review and Revocation in Part

Based on our analysis of the comment received, the final results of our review are the same as those presented in our preliminary results of review, and we determine that the following margins exist:

Manufacturer/Exporter	Time period	Margin (percent)
Shinko Wire Company, Ltd./Mitsubishi Corporation/Freyssinet International.	12/01/80–11/30/81	0
	12/01/81–11/30/82	[1]0
Shinko Wire Company, Ltd./All other exporters (except Mitsui & Co., Ltd.).	12/01/80–11/30/81	0
	12/01/81–11/30/82	0
Sumitomo Electric Ind., Ltd./Sumitomo Corp., Japan.	01/01/81–12/31/81	0
	01/01/82–05/20/82	[1]0
Sumitomo Electric Ind., Ltd./All other exporters (except Mitsui & Co., Ltd.).	01/01/81–12/31/81	0
	01/01/82–05/20/82	[1]0
Suzuki Metal Industry Co., Ltd.	12/01/80–11/30/81	0
	12/01/81–11/30/82	0
Suzuki Metal Industry Co., Ltd./Mitsubishi Corp./Nissho–Iwai Co., Ltd.	12/01/80–11/30/81	0
	12/01/81–11/30/82	0
Suzuki Metal Industry Co., Ltd./All other exporters (except Mitsui & Co., Ltd.).	12/01/80–11/30/81	0
	12/01/81–11/30/82	0
Tokyo Rope Mfg. Co., Ltd	12/01/80–11/30/81	4.5
	12/01/81–11/30/82	4.5
Tokyo Rope Mfg. Co., Ltd./All other exporters (except Mitsui & Co., Ltd.).	12/01/80–11/30/81	4.5
	12/01/81–11/30/82	4.5

[1] No shipments during the period.

For the reasons set forth in the preliminary results, we are satisfied that there is no likelihood of resumption of sales at less than fair value by Sumitomo Electric Industries, Ltd. Accordingly, we revoke in part the antidumping finding on steel wire strand for prestressed concrete from Japan. This partial revocation applies to all unliquidated entries of this merchandise manufactured by Sumitomo Electric Industries, Ltd. and exported by Sumitomo Corp., Japan, entered, or withdrawn from warehouse, for consumption on or after May 20, 1982.

The Department will instruct the Customs Service to assess antidumping duties on all appropriate entries. Individual differences between United States price and foreign market value may vary from the percentages stated above. The Department will issue appraisement instructions directly to the Customs Service.

Further, the Department will instruct the Customs Service to collect a cash deposit of estimated antidumping duties for each firm based upon the above margins, as provided i section 751(a)(1) of the Tariff Act. For any shipments from the remaining known manufacturers and/or exporters not covered by this review, the cash deposit will continue to be at the rate published in the final results of the last administrative review for each of those firms (48 FR 45586, October 6, 1983). For any shipments from a new exporter not covered by this or prior administrative reviews, whose first shipments of Japanese steel wire strand for prestressed concrete occurred after November 30, 1982, and who is unrelated to any reviewed firm, no cash deposit shall be required. These deposit requirements are effective for all shipments of Japanese steel wire strand for prestressed concrete entered, o withdrawn from warehouse, for

consumption on or after the date of publication of this notice and shall remain in effect until publication of the final results of the next administrative review.

This administrative review, revocation in part, and notice are in accordance with section 751 (a)(1) and (c) of the Tariff Act (19 U.S.C. 1675 (a)(1), (c)) and §§353.53a and 353.54 of the Commerce Regulations (19 CFR 353.53a; 50 FR 32556, August 13, 1985; 353.54).

Dated: August 22, 1986.

Joseph A. Spetrini,

Acting Deputy Assistant Secretary for Import Administration.

[FR Doc. 86-19619 Filed 8-28-86; 8:45 am]

BILLING CODE 3510-DS-M

National Bureau of Standards

[Docket No. 60733-6133]

Proposed Federal Information Processing Standard for UNIX [1] Operating System Derived Environments

AGENCY: National Bureau of Standards, Commerce.

ACTION: Notice of Proposed Federal Information Processing Standard.

SUMMARY: The purpose of this notice is to announce a proposed Federal Information Processing Standard (FIPS) for UNIX Operating System Derived Environments. This proposed standard will adopt the full use version of IEEE 1003.1 "Standard for Portable Operating System for Computer Environments" (POSIX[2]) which is a voluntary industry standard developed by the Institute of Electrical and Electronics Engineers (IEEE). The standard is currently undergoing public review as a trial use standard. A full use version is expected within the next two years.

Prior to submission of this proposed standard to the Secretary of Commerce for review and approval as a FIPS, it is essential to assure that consideration is given to the needs and views of manufacturers, the public, and State and local governments. The purpose of this notice is to solicit such views.

This proposed Federal Information Processing Standard contains two sections: (1) An announcement section, that provides information concerning the applicability, implementation, and maintenance of the standard; and (2) a specification section (the IEEE 1003.1 standard) which deals with the technical requirements of the standard. Only the announcement section of the proposal is provided in this notice. Interested parties may obtain a copy of the technical specifications from IEEE Service Center, 445 Hoes Lane, Piscataway, NJ 08854, telephone (201) 981-0060.

DATE: Comments must be submitted on or before November 28, 1986.

ADDRESS: Written comments on this proposed standard should be submitted to the Director, Institute for Computer Sciences and Technology, ATTN: Proposed FIPS for UNIX Operating System Derived Environments, Technology Building, Room B154, National Bureau of Standards, Gaithersburg, MD 20899.

Written comments received in response to this notice will be made part of the public record and will be available for inspection and copying in the Department's Central Reference and Records Inspection Facility, Room 6628, Herbert C. Hoover Building, 14th Street between Pennsylvania and Constitution Avenues, NW., Washington, DC 20230.

FOR FURTHER INFORMATION CONTACT: Roger J. Martin or Anthony Cincotta, Institute for Computer Sciences and Technology, Technology Building, Room B266, National Bureau of Standards, Gaithersburg, MD 20899, telephone (301) 921-3545.

Dated: August 25, 1986.

Raymond G. Kammer,

Acting Director.

FEDERAL INFORMATION PROCESSING STANDARDS PUBLICATION —

(date)

Announcing the Standard for UNIX [1] Operating System Derived Environments

Federal Information Processing Standards Publications (FIPS PUBS) are issued by the National Bureau of Standards pursuant to section 111(f) (2) of the Federal Property and Administration Services Act of 1949 as amended, Pub. L. 89-306 (79 Stat. 1127), Executive Order 11717 (38 FR 12315, dated May 11, 1973), and Part 6 of Title 15 Code of Federal Regulations (CFR).

Name of Standard. UNIX Operating System Derived Environments.

Category of Standard. Software Standard, Operating Systems.

Explanation. This publication announces the adoption of the Institute of Electrical and Electronics Engineers (IEEE) Standard for Portable Operating System for Computer Environments (IEEE 1003.1/POSIX [2]) as a Federal Information Processing Standard (FIPS). IEEE 1003.1 defines a C language source interface to an operating system environment. The purpose of this FIPS is to promote portability of computer programs at the source level between UNIX operating system derived environments. This standard is for use by computing professionals involved in system and application software implementation.

Approving Authority. Secretary of Commerce.

Maintenance Agency. U.S. Department of Commerce, National Bureau of Standards (Institute for Computer Sciences and Technology).

Cross Index. The Institute of Electrical and Electronic Engineers Standard for Portable Operating System for Computing Environments, IEEE 1003.1 (POSIX).

Related Documents:

a. Federal Information Resources Management Regulation 201-8.1, Federal ADP and Telecommunications Standards.

b. American National Standard X3.—, C Language.

Objectives. This FIPS permits Federal departments and agencies to exercise more effective control over the production, management, and use of the Government's information resources. The primary objectives of this FIPS are:

a. To promote portability of computer programs at the source code level.

b. To simplify computer program documentation by the use of a standard portable system interface design.

c. To reduce staff hours in porting computer programs to different vendor systems and architectures.

d. To increase portability of acquired skills, resulting in reduced personnel training costs.

e. To maximize the return on investment in generating or purchasing computer programs by insuring operating system compatibility.

Government-wide attainment of the above objectives depends upon the widespread availability and use of comprehensive and precise standard specifications.

Applicability. This FIPS should be used for portable operating systems that are either developed or acquired for Government use. This FIPS is applicable to the entire range of computer hardware, e.g.:

a. Micro-computer systems.

b. Mini-computer systems.

c. Engineering workstations.

d. Mainframes.

Specifications. The FIPS specifications are the specifications contained in the Institute of Electrical and Electronics Engineers Standard for Portable Operating System for Computer Environments, IEEE 1003.1 (POSIX). IEEE 1003.1 defines a C language source code level interface to an operating system environment. IEEE 1003.1 refers to and is a complement to ANSI X3.—, C Language, which is under development by Accredited Standards Committee X3. IEEE 1003.1 requires specific areas of ANSI X3. —, C Language, to complete the environment specification for portable application software.

Implementation. The implementation of this FIPS involves three areas of

[1] UNIX is a registered trademark of AT&T

[2] POSIX is a trademark of the IEEE

[1] UNIX is a registered trademark of AT&T

[2] POSIX is a trademark of the IEEE

consideration: acquisition of a portable operating system, interpretation of the FIPS for UNIX Operating System Derived Environments, and validation of the portable operating system.

a. *Acquisition of a Portable Operating System.* This publication is effective six months after publication in the Federal Register of an announcement by the National Bureau of Standards of approval by the Secretary of Commerce. Portable operating systems acquired for Federal use after this date should implement the FIPS for UNIX Operating System Derived Environments. Conformance to this FIPS should be considered whether the operating system environments are:

1. Developed internally,
2. Acquired as part of an ADP system procurement,
3. Acquired by separate procurement,
4. Used under an ADP leasing arrangement, or
5. Specified for use in contracts for programming services.

A transition period provides time for industry to produce conforming portable operating system environments. The transition period begins on the effective date and continues for one year thereafter. The provisions of this publication apply to orders placed after the effective date; however, a system conforming to this FIPS, if available, may be acquired for use prior to the effective date. If a conforming system is not available, a system not conforming to this FIPS may be acquired for interim use during the transition period.

b. *Interpretation of the FIPS for UNIX Operating System Derived Environments.* NBS provides for the resolution of questions regarding the FIPS specifications and requirements, and issues official interpretations as needed. All questions about the interpretation of this FIPS should be addressed to:

Director, Institute for Computer Sciences and Technology, Attn: Portable Operating System Interpretation, National Bureau of Standards, Gaithersburg, MD 20899.

c. *Validation of the Portable Operating System.* NBS is currently investigating various methods for testing conformance to this FIPS. Policies concerning required testing of portable operating systems will be announced in the near future. For more information on conformance testing of portable operating systems, contact:

Director, Institute for Computer Sciences and Technology, Attn: Portable Operating System Testing, National Bureau of Standards, Gaithersburg, MD 20899.

Waivers. Under certain exceptional circumstances, the head of the agency is authorized to waive the application of the provision of this FIPS.

Exceptional circumstances which would warrant a waiver are:

a. Significant, continuing cost or efficiency disadvantages will be encountered by the use of this standard, and

b. The interchange of programs between the system for which the waiver is sought and other systems is not anticipated.

Agency heads may act only upon written waiver requests containing the information detailed above. Agency heads may approve requests for waivers only by a written decision which explains the basis upon which the agency head made the required finding(s). A copy of each such decision, with procurement sensitive or classified portions clearly identified, shall be sent to the: Director, Institute for Computer Sciences and Technology National Bureau of Standards, Gaithersburg, Maryland 20899.

When the determination of a waiver request applies to the procurement of equipment and/or services, a notice of the waiver determination must be published in the Commerce Business Daily as a part of the notice of solicitation for offers of an acquisition or, if the waiver determination is made after that notice is published, by amendment to such notice. A copy of the waiver request, any supporting documents, the document approving the waiver request and any supporting and accompanying document(s), with such delegations as the agency is authorized and decides to make under 5 U.S.C. 552(b), shall be part of the procurement documentation and retained by the agency.

Where to Obtain Copies: Copies of this publication are for sale by the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22161. (Sale of the included specifications document is by arrangement with the Institute of Electrical and Electronics Engineers, Incorporated.) When ordering, refer to Federal Information Processing Standards Publication — (FIPSPUB —), and title. Payment may be made by check, money order, or deposit account.

[FR Doc. 86-19565 Filed 8-28-86; 8:45 am]

BILLING CODE 3510-CN-M

National Oceanic and Atmospheric Administration

Gulf of Mexico Fishery Management Council; Intent and Scoping Meeting

AGENCY: National Marine Fisheries Service (NMFS), NOAA, Commerce.

ACTION: Notice of scoping meeting.

SUMMARY: The Gulf of Mexico Fishery Management Council (Council) will hold a scoping meeting to obtain comments and recommendations in relation to its intention to prepare an environmental impact statement and a fishery management plan (EIS/FMP) for the red drum fishery resources of the Gulf of Mexico. This action by the Council will eventually result in a management plan which replaces a Secretarial FMP for red drum. The purposes of the scoping process are discussed in 40 CFR 1501.7 of the Council on Environmental Quality's regulations implementing the National Environmental Policy Act (43 FR 55978). This notice is also intended to satisfy the requirement for a Notice of Intent to prepare an EIS.

DATE: The scoping meeting will be held on September 10, 1986, at 4:00 p.m.

ADDRESS: The meeting will take place at Stokley Hall, Civic Center Complex, 600 International Boulevard, Brownsville, Texas.

FOR FURTHER INFORMATION CONTACT: Wayne E. Swingle, Executive Director, Gulf of Mexico Fishery Management Council, 5401 West Kennedy Boulevard, Suite 881, Tampa, Florida, 813-228-2815.

Dated: August 25, 1986.

Richard B. Roe,

Director, Office of Fisheries Management, National Marine Fisheries Service.

[FR Doc. 86-19559 Filed 8-28-86; 8:45 am]

BILLING CODE 3510-22-M

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Import Restraint Limits for Certain Cotton, Wool and Man-Made Fiber Textiles and Textile Products Produced or Manufactured in Mexico

August 22, 1986.

On July 17, 1986 a notice was published in the Federal Register (51 FR 25927) which announced the import control limits for certain cotton, wool and man-made fiber textiles and textile products under the newly extended bilateral agreement with Mexico. In the letter to the Commissioner of Customs which followed that notice the limits for Categories 341/641 and 604 should have read as follows:

Category	12-Mo. limit [1]
341/641	600,000 dozen of which not more than 225,000 dozen shall be in TSUSA number 384.4608, 384.4610, 384.4612, 384.9110, and 384.9120.
604-A	1,000,000 pounds (only TSUSA numbers 310.5049 and 310.6042).
604-O	1,500,000 pounds (all TSUSA numbers except 310.5049 and 310.6042).

William H. Houston III,

Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. 86-19616 Filed 8-26-86; 4:11 pm]

BILLING CODE 3510-DR-M

Import Restraint Limits for Certain Cotton, Wool and Man-Made Fiber Textile Products Produced or Manufactured in the Republic of South Africa

August 26, 1986.

The Chairman of the Committee for the Implementation of Textile Agreements (CITA), under the authority contained in E.O. 11651 of March 3, 1972, as amended, has issued the directive published below to the Commissioner of Customs to be effective on August 29, 1986. For further information contact Eve Anderson, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 377–4212.

Background

On November 21 and 22, 1985, the Government of the United States and the Republic of South Africa exchanged diplomatic notes establishing a new Bilateral Cotton, Wool and Man-Made Fiber Textile Agreement. The agreement establishes, among other things, specific limits for Categories 335, 347/348, 433 and 604 and 604pt. (only T.S.U.S.A. number 310.5049), produced or manufactured in South Africa and exported during the twelve-month agreement period beginning on September 1, 1986 and extending through August 31, 1987. The letter from the Chairman of the Committee for the Implementation of Textile Agreements published below directs the Commissioner of Customs to prohibit entry for consumption and withdrawal from warehouse for consumption of cotton, wool and man-made fiber textile products in the foregoing categories in excess of the designated limits for the new agreement year.

A description of the textile categories in terms of T.S.U.S.A. numbers was published in the **Federal Register** on December 13, 1982 (47 FR 55709), as amended on April 7, 1983 (48 FR 15175), May 3, 1983 (48 FR 19924), December 14, 1983 (48 FR 55607), December 30, 1983 (48 FR 57584), April 4, 1984 (49 FR 13397), June 28, 1984 (49 FR 26622), July 16, 1984 (49 FR 28754), November 9, 1984 (49 FR 44782), and in Statistical Headnote 5, Schedule 3 of the TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1986).

This letter and the actions taken pursuant to it are not designed to implement all of the provisions of the bilateral agreement, but are designed to assist only in the implementation of certain of its provisions.

Ronald I. Levin,

Acting Chairman, Committee for the Implementation of Textile Agreements.

August 26, 1986.

Committee for the Implementation of Textile Agreements

Commissioner of Customs,
Department of the Treasury, Washington, DC 20229.

Dear Mr. Commissioner: Under the terms of section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854), pursuant to the Bilateral Cotton, Wool and Man-Made Fiber Textile Agreement, effected by exchange of notes dated November 21 and 22, 1985, between the Governments of the United States and the Republic of South Africa; and in accordance with the provisions of Executive Order 11651 of March 3, 1972, as amended, you are directed to prohibit, effective on August 29, 1986, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton, wool and man-made fiber textile products in Categories 335, 347/348, 433 and 604, produced or manufactured in South Africa and exported during the twelve-month period which begins on September 1, 1986 and extends through August 31, 1987, in excess of the following restraint limits:

Category	12-Mo. restraint limit [1]
335	31,460 dozen.
347/348	283,920 dozen.
433	5,757 dozen.
604	1,260,000 pounds of which not more than 609,000 pounds shall be in T.S.U.S.A. number 310.5049.

[1] The limits have not been adjusted to account for any imports exported after August 31, 1986.

A description of the textile categories in terms of T.S.U.S.A. numbers was published in the **Federal Register** on December 13, 1982 (47 FR 55709), as amended on April 7, 1983 (48 FR 15175), May 3, 1983 (48 FR 19924), December 14, 1983 (48 FR 55607), December 30, 1983 (48 FR 57584), April 4, 1984 (49 FR 13397), June 28, 1984 (49 FR 26622), July 16, 1984 (49 FR 28754), November 9, 1984 (49 FR 44782), and in Statistical Headnote 5, Schedule 3 of the TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1986).

In carrying out the above directions, the Commissioner of Customs should construe entry into the United States for consumption to include entry for consumption into the Commonwealth of Puerto Rico.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception to the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,

Ronald I. Levin,

Acting Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. 86–19617 Filed 8–26–86; 8:45 am]

BILLING CODE 3510-DR-M

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

Procurement List 1986; Addition

AGENCY: Committee for Purchase from the Blind and Other Severely Handicapped.

ACTION: Addition to Procurement List.

SUMMARY: This action adds to Procurement List 1986 a service to be provided by workshops for the blind or other severely handicapped.

EFFECTIVE DATE: August 29, 1986.

ADDRESS: Committee for Purchase from the Blind and Other Severely Handicapped, Crystal Square 5, Suite 1107, 1755 Jefferson Davis Highway, Arlington, Virginia 22202–3509.

FOR FURTHER INFORMATION CONTACT: C.W. Fletcher, (703) 557–1145.

SUPPLEMENTARY INFORMATION: On July 3, 1986 the Committee for Purchase from the Blind and Other Severely Handicapped published a notice (51 FR 24429) of proposed additions to Procurement List 1986, October 15, 1985 (50 FR 41809).

Additions

After consideration of the relevant matter presented, the Committee has determined that the service listed below is suitable for procurement by the Federal Government under 41 U.S.C. 46–48c, 85 Stat. 77 and 41 CFR 51–2.6.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered were:

a. The action will not result in any additional reporting, recordkeeping or other compliance requirements.

b. The action will not have a serious economic impact on any contractors for the service listed.

c. The action will result in authorizing small entities to produce the service procured by the Government.

Accordingly, the following service is hereby added to Procurement List 1986:

Janitorial/Custodial
Marine Corps Air Station
Yuma, Arizona

C.W. Fletcher,

Executive Director.

[FR Doc. 86–19607 Filed 8–28–86; 8:45 am]

BILLING CODE 6820-33-M

Procurement List 1986; Proposed Additions and Deletions

AGENCY: Committee for Purchase from the Blind and Other Severely Handicapped.

ACTION: Proposed Additions to and Deletions from Procurement List.

SUMMARY: The Committee has received proposals to add to and delete from Procurement List 1986 commodities to be produced by and services to be provided by workshops for the blind or other severely handicapped.

DATE: Comments must be received on or before October 1, 1986.

ADDRESS: Committee for Purchase from the Blind and Other Severely Handicapped, Crystal Square 5, Suite 1107, 1755 Jefferson Davis Highway, Arlington, Virginia 22202-3509.

FOR FURTHER INFORMATION CONTACT: C.W. Fletcher, (703) 557-1145.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to 41 U.S.C. 47(a)(2), 85 Stat. 77 and 41 CFR 51-2,6. Its purpose is to provide interested persons an opportunity to submit comments on the possible impact of the proposed actions.

Additions

If the Committee approves the proposed additions, all entities of the Federal Government will be required to procure the commodities and services listed below from workshops for the blind or other severely handicapped.

It is proposed to add the following commodities and services to Procurement List 1986, October 15, 1985 (50 FR 41809):

Commodities

Stay, Fence
5660-00-943-9927
5660-00-904-8023
5660-00-607-0286
5660-00-607-0287

Pillow, Bed Feather
7210-01-015-5190
(Portion above 96,000 each annually now on Procurement List)

Services

Janitorial, Grounds Maintenance and Major Mechanical Operations
The Carter Presidential Library Atlanta, Georgia

Microfiche Reproduction
Headquarters, USMC (Navy Annex)
Washington, DC

Parts Sorting
McClellan Air Force Base, California

Deletions

It is proposed to delete the following commodities and services from Procurement List 1986, October 15, 1985 (50 FR 41809):

Commodities

Toothbrush, Aspiration
6520-01-085-3438

Dress, Operating, Surgical
6532-00-149-0464
6532-00-149-0465
6532-00-149-0466
6532-00-149-0467
6532-00-149-0472
6532-00-149-0473

Pajamas, Ladies
6532-00-NSH-0001
6532-00-NSH-0002
6532-00-NSH-0003
6532-00-NSH-0004

Robe, Ladies
6532-00-NSH-0005

Table, Steel
7110-00-149-2047

Pin, Tent, Wood
8340-00-261-9752

Case, Map and Note, Field
8465-00-634-1903

Services

Commissary Shelf Stocking and Custodial
Patrick Air Force Base, Florida

Repair and Maintenance of Electric Typewriters at the following locations:
1. Social Security Administration, 600 W. Madison, Chicago, Illinois.
2. Health and Human Services, 300 S. Wacker Drive, Chicago, Illinois.

C.W. Fletcher,
Executive Director.

[FR Doc. 86-19608 Filed 8-28-86; 8:45 am]
BILLING CODE 6820-33-M

DEPARTMENT OF DEFENSE

Office of the Secretary

Defense Intelligence Agency Scientific Advisory Committee; Meeting

AGENCY: Defense Intelligence Agency Scientific Advisory Committee, DoD.

ACTION: Notice of Closed Meeting.

SUMMARY: Pursuant to the provisions of Subsection (d) of section 10 of Pub. L. 92-463, as amended by section 5 of Pub. L. 94-409, notice is hereby given that a closed meeting of a panel of the DIA Scientific Advisory Committee has been scheduled as follows:

DATE: 16 September 1986, 9:00 a.m. to 5:00 p.m.

ADDRESS: The DIAC, Bolling AFB, DC.

FOR FURTHER INFORMATION CONTACT: Lieutenant Colonel Harold E. Linton, USAF, Executive Secretary, DIA Scientific Advisory Committee, Washington, DC 20301 (202/373-4930).

SUPPLEMENTARY INFORMATION: The entire meeting is devoted to the discussion of classified information as defined in section 552b(c)(1), Title 5 of the U.S. Code and therefore will be closed to the public. Subject matter will be used in a special study on Space Activities.

Patricia H. Means,
OSD Federal Register Liaison Officer, Department of Defense.
August 26, 1986.

[FR Doc. 86-19569 Filed 8-28-86; 8:45 am]
BILLING CODE 3810-01-M

Defense Science Board Task Force on Multi-National FOFA; Meeting

ACTION: Notice of Advisory Committee meetings.

SUMMARY: The Defense Science Board Task Force on Multi-National FOFA will meet in closed session on October 16, 1986 in the Pentagon, Arlington, Virginia.

The mission of the Defense Science Board is to advise the Secretary of Defense and the Under Secretary of Defense for Research and Engineering on scientific and technical matters as they affect the perceived needs of the Department of Defense. At this meeting the Task Force will continue to review, in detail, classified material associated with conventional military capabilities in NATO with a view towards future U.S. and NATO requirements.

In accordance with section 10(d) of the Federal Advisory Committee Act, Pub. L. No. 92-463, as amended (5 U.S.C. App. II, (1982)), it has been determined that this DSB Panel meeting, concerns matters listed in 5 U.S.C. 552b(c) (1) (1982), and that accordingly this meeting will be closed to the public.

Patricia H. Means,
OSD Federal Register Liaison Officer, Department of Defense.
August 26, 1986.

[FR Doc. 86-19570 Filed 8-28-86; 8:45 am]
BILLING CODE 3810-01-M

Defense Science Board Task Force on Multi-National FOFA

ACTION: Notice of Advisory Committee meetings.

SUMMARY: The Defense Science Board Task Force on Multi-National FOFA will meet in closed session on October 23-24, 1986 in Munich, Germany.

The mission of the Defense Science Board is to advise the Secretary of Defense and the Under Secretary of Defense for Research and Engineering on scientific and technical matters as they affect the perceived needs of the

Department of Defense. At these meetings the Task Force will continue to review, in detail, classified material associated with conventional military capabilities in NATO with a view towards future U.S. and NATO requirements.

In accordance with section 10(d) of the Federal Advisory Committee Act, Pub. L. No. 92–463, as amended (5 U.S.C. App. II, (1982)), it has been determined that this DSB Panel meetings, concerns matters listed in 5 U.S.C. 552b(c) (1) (1982), and that accordingly this meeting will be closed to the public.

Patricia H. Means,

OSD Federal Register Liaison Officer, Department of Defense.

August 26, 1986.

[FR Doc. 86–19571 Filed 8–28–86; 8:45 am]

BILLING CODE 3810–01–M

Department of the Army

Privacy Act of 1974; Amendments to Systems of Records Notices

AGENCY: Department of the Army, DOD.

ACTION: Notice of amendments to systems of records.

SUMMARY: The Army proposes to amend three notices for systems of records subject to the Privacy Act of 1974. The specific changes to the notices being amended are set forth below followed by the system notices, as amended, published in their entirety.

DATES: This proposed action will be effective without further notice on September 29, 1986 unless comments are received which would result in a contrary determination.

ADDRESS: Send comments to the system manager identified in the particular system notice concerned.

FOR FURTHER INFORMATION CONTACT: Mr. Bert K. Haggett, HQDA, DAIM–FAR–RI, Room 1138, Hoffman Building I Alexandria, VA 22331–0301. Telephone: (202) 325–6044 Autovon 221–6044.

SUPPLEMENTARY INFORMATION: The Army's systems of records notices inventory subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended, have been published to date in the **Federal Register** as follows:

FR Doc. 85–10237 (50 FR 22090) May 29, 1985 (Compilation)
FR Doc. 86–14667 (51 FR 23576) June 30, 1986

The proposed amendments are not within the purview of the provisions of 5 U.S.C. 552a(o) which requires the submission of an altered system report.

Patricia H. Means,

OSD Federal Register Liaison Officer, Department of Defense.

August 25, 1986.

Amendments

A0314.08DACA

System name:

Check Cashing Privilege Files (50 FR 22127) May 29, 1985.

Changes:

Routine uses:

Add the following:

c. Lists of persons whose privileges have been suspended or withdrawn may be disclosed to banks or credit unions operating on Army installations so that the financial facilities can, if they wish, withhold check cashing privileges from those individuals.

A0319.01DACA

System name:

Out of Service Accounts Receivables (50 FR 22129) May 29, 1985.

Changes:

System Name:

Remove current system name. Add the following: Debt Collection System.

Routine uses:

Add the following to the end of paragraph b. : * * * to provide for offset of tax refunds.

Add the following: e. Other government agencies: For the purpose of offset, administrative or salary.

Retention and disposal:

Remove the following from line 1: Individual military pay records and * * *

A0718.01DAPC

System name:

Military Award Case Files (50 FR 22201) May 29, 1985.

Changes:

Retention and disposal:

Remove the following:

Approved wartime or combat activities military award case files are retained permanently; approved case files for all other periods are destroyed after 1 year. Disapproved military award case files are destroyed after 5 years.

Add the following:

Approval/disapproval authorities: Approved awards relating to wartime and/or combat activities are held permanently. Approved peacetime awards and all disapproved awards are held for 25 years.

A0314.08DACA

SYSTEM NAME:

Check Cashing Privilege Files.

SYSTEM LOCATION:

All Army installations/activities with facilities to cash checks.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Persons whose checks, written at Army facilities, have been dishonored and/or whose check cashing privileges have been suspended or revoked.

CATEGORIES OF RECORDS IN THE SYSTEM:

Documents related to advancing, revoking, or suspending, restoring and general supervision of check cashing privileges. Included are letters to individuals about bad checks, warnings that a recurrence may result in withdrawing check cashing privileges, notices from banks that the bank was in error, notices to activities that check cashing privileges have been suspended or withdrawn, and related papers.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 U.S.C., section 3012.

PURPOSE:

To determine individuals to be denied check cashing privileges at installation check cashing facilities.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

a. See 'Blanket Routine Uses' set forth at the beginning of the Army's listing of records system notices.

b. Disclosure pursuant to 5 U.S.C. 552a(b)(12) may be made from this system to 'consumer reporting agencies as defined in the Fair credit reporting Act (15 U.S.C. 1681a(f) or the Federal Claims Collection Act of 1966 (31 U.S.C. 3701(a)(3).

c. Lists of persons whose privileges have been suspended or withdrawn may be disclosed to banks or credit unions operating on Army installations so that the financial facilities can, if they wish, withhold check cashing privileges from these individuals.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Cards, paper records in file folders, and computer tapes.

RETRIEVABILITY:

By individual's name or SSN.

SAFEGUARDS:

Files are maintained in areas accessible only to authorized persons having an official need therefor in the performance of official duties.

RETENTION AND DISPOSAL:

Destroyed 3 years after individual has made restitution for dishonored check.

SYSTEM MANAGER AND ADDRESS:

Comptroller of the Army, U.S. Army Finance and Accounting Center, Ft. Benjamin Harrison, IN 46249.

NOTIFICATION PROCEDURE:

Information may be obtained from the installation commander where check was cashed.

RECORD ACCESS PROCEDURES:

Individuals desiring access to records pertaining to themselves should write to the installation commander, furnishing full name, SSN, details relevant to the incident and signature.

CONTESTING RECORD PROCEDURES:

The Army's rules for access to records and for contesting contents and appealing initial determinations are contained in Army Regulation 340–21 (32 CFR Part 505).

RECORD SOURCE CATEGORIES:

From the dishonored check, the individual, banking facilities.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

A0319.01DACA

SYSTEM NAME:

Debt Collection System.

SYSTEM LOCATION:

U.S. Army Finance and Accounting Center, Ft. Benjamin Harrison, IN 46249–0001.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Separated and retired military/civilian personnel and others indebted to the U.S. Army.

CATEGORIES OF RECORDS IN THE SYSTEM:

Records of current and former military members and civilian employees' pay accounts showing entitlements, deductions, payments made, and any indebtedness resulting from deductions and payments exceeding entitlements. These records include, but are not limited to:

a. Individual military pay records, substantiating documents such as military pay orders, pay adjustment authorizations, military master pay account printouts from the Joint Uniform Pay System (JUMPS), records of travel payments, financial record data folders, miscellaneous vouchers, personal financial records, credit reports, promissory notes, individual financial statements, and correspondence;

b. Applications for waiver of erroneous payments or for remission of indebtedness with supporting documents including, but not limited to: Statements of financial status (personal income and expenses), statements of commanders and/or accounting and finance officers, correspondence with members and employees;

c. Claims of individuals requesting additional payments for service rendered with supporting documents including, but not limited to, time and attendance reports, leave and earnings statements, travel orders and/or vouchers, and correspondence with members and employees;

d. Delinquent accounts receivable from field accounting and finance officers including, but not limited to, returned checks, medical services billings, collection records, and summaries of the Army Criminal Investigation Command and/or Federal Bureau of Investigation reports;

e. Reports from probate courts regarding estates of deceased debtors;

f. Reports from bankruptcy courts regarding claims of the United States against debtors.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

31 U.S.C., section 3711; 10 U.S.C., section 2774; and 12 U.S.C., section 1715.

PURPOSE:

To process, monitor, and post-audit accounts receivable, to administer the Federal Claims Collection Act, and to answer inquiries pertaining thereto.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSE OF SUCH USES:

Information may be disclosed to:

a. U.S. Department of Justice/U.S. Attorneys: For legal action and/or final disposition of the debt claims. The litigation briefs (comprehensive, written referral recommendations) will restructure the entire scope of the collection cases.

b. Internal Revenue Service: To obtain locator status for delinquent accounts receivables; (Automated controls exist to preclude redisclosure of solicited IRS address data;) and/or to report write-off amounts as taxable income as pertains to amounts compromised and accounts barred from litigation due to age; to provide for offset of tax refunds.

c. Private collection agencies: For collection action when the Army has exhausted its internal collection efforts.

d. To consumer reporting agencies: Disclosure pursuant to 5 U.S.C. 552a(b)(12) may be made to 'consumer reporting agencies' as defined in the Fair Credit Reporting Act (15 U.S.C. 1631a(f) or the Federal Claims Collection Act of 1966 (31 U.S.C. 3701(a)(3) when an individual is responsible for a debt to the U.S. Army, provided the debt has been validated, is overdue, and the debtor has been advised of the disclosure and his rights to dispute, appeal or review the claim; and/or whenever a financial status report is requested for use in the administration of the Federal Claims Collection Act. Claims of the United States may be compromised, terminated or suspended when warranted by information collected.

e. Other government agencies: For the purpose of offset, administrative or salary.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Paper records in collection file folders and bulk storage; card files; computer magnetic tapes and printouts; microfiche.

RETRIEVABILITY:

By Social Security Number, name, and substantiating document number, conventional indexing is used to retrieve data.

SAFEGUARDS:

The U.S. Army Finance and Accounting Center employs security guards. An employee badge and visitor registration system is in effect. Hard copy records are maintained in areas accessible only to authorized personnel who are properly screened, cleared and trained. Computerized records are accessed by custodian of the records system and by persons responsible for servicing the records system in the performance of their official duties. Certifying finance and accounting officers of debts have access to debt information to confirm if the debt is valid and collection action is to be continued. Computer equipment and files are located in a separate secured area.

RETENTION AND DISPOSAL:

Accounts receivables are converted to microfiche and retained for 6 years and

3 months. Destruction is by shredding. Retention periods for other records vary according to category, but total retention does not exceed 56 years; these records are sent to the Federal Records Center General Services Administration at Dayton, Ohio; destruction is by burning or salvage as waste paper.

SYSTEM MANAGER AND ADDRESS:

Commander, U.S. Army Finance and Accounting Center, Indianapolis, IN 46249–0001.

NOTIFICATION PROCEDURE:

Individuals desiring to know whether this system of records contain information about them should contact the System Manager, ATTN: FINCP–FF, Department 80, furnishing full name, Social Security Number, and military status or other information verifiable from the record itself.

RECORD ACCESS PROCEDURES:

Individuals seeking access to records in this system pertaining to them should submit a written request as indicated in "Notification procedure" and furnish information required therein.

CONTESTING RECORD PROCEDURE:

The Army's rules for access to records and for contesting contents and appealing initial determinations are contained Army Regulation 340–21 (32 CFR Part 505).

RECORD SOURCE CATEGORIES:

Information is received from Department of Defense staff and field installations, Social Security Administration, Treasury Department, financial organizations, and automated system interface.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

A0718.01DAPC

SYSTEM NAME:

Military Award Case Files.

SYSTEM LOCATION:

Primary system exists at U.S. Army Military Personnel Center, 200 Stovall Street, Alexandria, VA 22332–0400. Segments exist at Army commands which have been delegated authority for approval of an award.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

Military personnel on active duty, members of reserve components, U.S. civilians serving with U.S. Army in a combat zone, and deceased former members of the U.S. Army.

CATEGORIES OF RECORDS IN THE SYSTEM:

Files include recommendation for award; endorsements; award board approvals/disapprovals; citation texts; Department of Army letter orders/general orders; related papers supporting the award; correspondence among the Army; service member, and individuals having knowledge/information relating to the service member concerned or the act or achievement for which award is recommended.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM:

10 U.S.C., Chapters 5, 357; 5 U.S.C., section 301.

PURPOSE:

To consider individual nominations for awards and/or decorations; record final action; maintain individual award case files.

ROUTINE USES FOR RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

Information may disclosed to public and private organizations including news media, which grant or publicized awards or honors.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE:

Paper records in file folders.

RETRIEVABILITY:

By nominee's name.

SAFEGUARDS:

Records are accessible only to designated individuals having official need therefor in the performance of assigned duties.

RETENTION AND DISPOSAL:

Approval/disapproval authorities: Approved awards relating to wartime and/or combat activities are held permanently. Approved peacetime awards and all disapproved awards are held for twenty-five years.

SYSTEM MANAGER AND ADDRESS:

Commander, U.S. Army Military Personnel Center, 200 Stovall Street, Alexandria, VA 22332–0400.

NOTIFICATION PROCEDURE:

Individuals desiring to know whether or not information on them is included in this system should write to the System Manager, ATTN: DAPC–AL. Individuals should include his/her full name, SSN, grade and branch of service, name or award/honor, and current address.

CONTESTING RECORD PROCEDURES:

The Army's rules for access to records and for contesting contents and appealing initial determinations are contained in Army Regulation 340–21 (32 CFR Part 505).

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT:

None.

[FR Doc. 86–19534 Filed 8–28–86; 8:45 am]

BILLING CODE 3810–01–M

Department of the Navy

Notice of Performance Review Board Membership

Correction

In Fr Doc. 86–18546 appearing on page 29515 in the issue of Monday, August 18, 1986, make the following correction in the first column: At the end of the seventh line, insert "review of".

BILLING CODE 1505–01–M

DEPARTMENT OF EDUCATION

National Advisory Board on International Education Programs

AGENCY: National Advisory Board on International Education Programs.

ACTION: Notice of Meeting.

SUMMARY: This notice sets forth the schedule of a forthcoming meeting of the National Advisory Board on International Education Programs. Notice of this meeting is required under section 10(a)(2) of the Federal Advisory Committee Act. This document is also intended to notify the general public of their opportunity to attend.

DATE: September 26, 1986.

ADDRESS: Indiana University, Bloomington Campus, Showalter House, The Board Room, Bloomington, Indiana.

FOR FURTHER INFORMATION CONTACT: Harry M. Gardner, Postsecondary Relations Staff, ROB–3, Room 3082, 7th & D Streets, SW., Washington, DC 20202 (202–245–9274).

SUPPLEMENTARY INFORMATION: The National Advisory Board on International Education Programs is established under section 621 of the Higher Education Act of 1965, as amended, by the Education Amendments of 1980 (Pub. L. 96–374; 20 U.S.C. 1131). Its mandate is to advise the Secretary of Education on the conduct of programs under this title.

This meeting of the National Advisory Board on International Education Programs is open to the public. The

agenda includes a discussion of the meeting of the Chairman with the Secretary in accordance with a Resolution passed at the March 10th Board meeting. In addition, the Director-Designate for the Center for International Education will present overviews of activities and operations of the CIE programs. General Board business will also be discussed.

The Board members will conduct on-site visits to a number of language and area studies centers.

The meeting will be held from 9:00 a.m. to 4:30 p.m., the 26th of September in the Board Room, the Showalter House, Indiana University, Bloomington, Indiana.

Records are kept on the Board proceedings and are available for public inspection at the Office of Postsecondary Relations Staff, from 8:00 a.m. to 4:00 p.m., ROB–3, 7th and D Streets, SW., Room 3082, Washington, DC.

Signed at Washington, DC, on August 20, 1986.

C. Ronald Kimberling,

Assistant Secretary for Postsecondary Education.

[FR Doc. 86–19588 Filed 8–28–86; 8:45 am]

BILLING CODE 4000–01–M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project Nos. 8142–001 et al.]

Hydroelectric Applications (Henwood Associates, Inc., et al.); Applications Filed With the Commission

Take notice that the following hydroelectric applications have been filed with the Federal Energy Regulatory Commission and are available for public inspection.

1 a. Type of Application: Minor License.

b. Project No.: 8142–001.

c. Date Filed: January 29, 1986.

d. Applicant: Henwood Associates, Inc.

e. Name of Project: Dynamo Pond.

f. Location: On Green Creek, near Bridgeport, within land administered by the Bureau of Land Management, in Mono County, California (In Section 4 of T3N, R25E, and Sections 28, 29, and 33 of T4N, R25E, M.D.M.&B.).

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Mark Henwood, Henwood Associates, Inc., 2555 3rd Street, Suite 110, Sacramento, CA 95818, (916) 447–3497.

i. Comment Date: October 6, 1986.

j. Description of Project: The proposed project would consist of: (1) A repaired and refurbished 20-foot-high Sario Livestock Company Dynamo Pond Dam at elevation 7,583 feet msl; (2) A reservoir with a storage capacity of 28.1 acre-feet and a surface area of 3.6 acres; (3) A 26-inch-diameter, 8,975-foot-long steel penstock; (4) A powerhouse containing a single turbine-generator unit with a rated capacity of 900 kW operating under a head of 690 feet; and (5) A 16-kV, 7,166-foot-long transmission line interconnecting the project to an existing Southern California Edison Company (SCE) line. The estimated average annual generation of 4.18 GWh would be sold to SCE.

k. This notice also consists of the following standard paragraphs: A3, A9, B, C, and D1.

2 a. Type of Application: Preliminary Permit.

b. Project No.: 9844–000.

c. Date Filed: December 31, 1985.

d. Applicant: George Nelson and Joe Straley.

e. Name of Project: Poplar River Project.

f. Location: On the Poplar River near the town of Lutsen, Cook County, Minnesota.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Joe Straley, 350 N. 26th Avenue, St. Cloud, MN 56301, (612) 253–6361.

i. Comment Date: October 14, 1986.

j. Description of Project: The proposed run-of-the-river project would consist of: (1) A new concrete V-shaped diversion structure 4 feet high and approximately 40 feet long; (2) A new intake and settling basin having 1,000 square feet of surface area and a storage capacity of 1,500 cubic feet at an elevation of 750 feet msl; (3) A new steel penstock 28 to 30 inches in diameter and approximately 1,900 feet long leading to; (4) An existing concrete powerhouse containing two new turbine/generator units rated at 100 kW and 150 kW for a total installed capacity of 250 kW operating at 150 feet of hydraulic head; (5) An existing bedrock tailrace; (6) A new 250-foot-long 480 volt transmission line; and (7) Appurtenant facilities. The Applicant estimates the average annual energy production to be 1,500,000 kWh. All project areas and features are owned by Mr. George Nelson.

k. Purpose of Project: Project energy will be used by George Nelson with excess energy being sold to Arrowhead Co-op.

l. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, & D2.

3 a. Type of Application: Preliminary Permit.

b. Project No.: 9978–000.

c. Date Filed: April 21, 1986.

d. Applicant: Arnold M. Heitmann and S. David Tine.

e. Name of Project: Lake Gardner and Arlington Mill.

f. Location: Powwow River, Essex County, Massachusetts and Spicket River, Rockingham County, New Hampshire.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Arnold M. Heitmann, 80 Phillips Beach Avenue, Swampscott, MA 01907, (617) 935–9050.

i. Comment Date: October 9, 1986.

j. Description of Project: The proposed project would consist of two sites. The Lake Gardner site consists of: (1) An existing granite-block dam 980 feet long and 14 feet high; (2) An existing reservoir, Lake Gardner, with a surface area of 9 acres and a storage volume of 512 acre-feet at a normal maximum surface elevation of 87 feet mean sea level; (3) An existing 6-foot-diameter penstock 20 feet long; (4) An existing 29-foot-long; 18-foot-wide brick powerhouse; (5) Three proposed turbine-generators of 40 kW capacity each; (6) A proposed 4,160-V transmission line 150 feet long; and (7) Appurtenant facilities. The net hydraulic head is 18 feet. The estimated annual energy production is 600,000 kWh. Site power would be sold to Massachusetts Electric Company. The existing facilities are owned by the Town of Amesbury, MA.

The Arlington Mill site consists of: (1) An existing concrete-block dam 600 feet long and 36 feet high; (2) An existing reservoir of 340-acre surface area and storage volume of 5,000 acre-feet at a normal maximum surface elevation of 160 feet mean sea level; (3) An existing 3-foot-diameter penstock 5 feet long; (4) Three proposed turbine-generators of 40 kW capacity each; (5) A proposed 7,620-V transmission line 250 feet long; and (6) Appurtenant facilities. The net hydraulic head is 30 feet. The estimated annual energy production is 800,000 kWh. Site power would be sold to Public Service Company of New Hampshire. The existing facilities are owned by the Town of Salem, NH.

k. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, and D2.

l. Proposed Scope of Studies under Permit: A preliminary permit, if issued, does not authorize construction. The term of the proposed preliminary permit is 36 months. The work proposed under the preliminary permit would include economic analysis, preparation of

preliminary engineering plans, and a study of environmental impacts. Based on results of these studies Applicant would decide whether to proceed with more detailed studies and the preparation of an application for license to construct and operate the project. Applicant estimates that the cost of the work to be performed under the preliminary permit would be $11,500.

4 a. Type of Application: Preliminary Permit.

b. Project No: 10010–000.

c. Date Filed: June 4, 1986.

d. Applicant: The North Jersey District Water Supply Commission and the Hackensack Water Company.

e. Name of Project: Monksville Dam.

f. Location: On the Wanague River in Passaic County, New Jersey.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Thomas McKeon, Hackensack Water Company, 200 Old Hook Road, Harrington Park, NJ 07640, (201) 767–9300.

i. Comment Date: October 6, 1986.

j. Description of Project: The proposed project would consist of: (1) The 150-foot-high, 2,200-foot-long, Monksville Dam (the dam is presently under construction for the purposes of water supply, as well as swimming, boating, and fishing); (2) A proposed reservoir with a surface area of 505 acres at a normal pool elevation of 400 feet m.s.l.; (3) A proposed 40-foot-long, 4-foot-diameter steel penstock; (4) A proposed powerhouse which will contain an 850 kW generating unit; (5) A proposed 1,000-foot-long, 13.8-kV transmission line; and (6) Appurtenant facilities.

The applicant estimates the average annual energy generation to be 3.5 GWh. The applicant anticipates selling the power generated to either the New Jersey Central Power and Light Company or the Rockland Electric Company.

k. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, and D2.

l. Proposed Scope of Studies under Permit: A preliminary permit, if issued, does not authorize construction. The applicant seeks issuance of a preliminary permit for a period of 36 months during which time it would prepare studies of the hydraulic, construction, economic, environmental, historic, and recreational aspects of the project. Depending upon the outcome of the studies, the applicant would prepare an application for an FERC license. Applicant estimates that the cost of the studies under permit would be $78,000.

5 a. Type of Application: Preliminary Permit.

b. Project No: 10039–000.

c. Date Filed: July 14, 1986.

d. Applicant: S & F Power.

e. Name of Project: Riverdale.

f. Location: On Mink and Dry Creeks in Franklin County, Idaho Township 13S and Range 41E.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Ted S. Sorenson, 550 Linden Drive, Idaho Falls, ID 83401, (208) 522–8069.

i. Comment Date: October 14, 1986.

j. Description of Project: The proposed project would consist of: (1) An existing 6-foot-high diversion dam on Mink Creek at elevation 5,360 feet and a proposed 6-foot-high diversion dam on Dry Creek at elevation 5,360 feet; (2) An existing 18,000-foot-long feeder ditch; (3) A 4,200-foot-long, 72-inch-diameter penstock; (4) A powerhouse containing one generating unit with a capacity of 5.2 MW and an average annual generation of 19,400 MWh; and (5) A 0.5-mile-long transmission line.

A preliminary permit does not authorize construction. Applicant seeks issuance of a preliminary permit for a term of 36 months during which it would conduct engineering and environmental feasibility studies and prepare an FERC license application at a cost of $45,000. No new roads would be constructed or drilling conducted during the feasibility study.

k. Purpose of Project: Project power would be sold.

l. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, D2.

6 a. Type of Application: Surrender of Transmission Line License.

b. Project No: 1545–001.

c. Date Filed: June 16, 1986.

d. Applicant: Monongahela Power Company.

e. Name of Project: Monongahela Transmission Line.

f. Location: Monongahela National Forest, Tucker and Randolph Counties, West Virginia.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)—825(r).

h. Contact Person: Mr. Raymond Fish, Monongahela Power Co., 1310 Fairmont Avenue, Fairmont, WV 26553, (304) 366–3000.

i. Comment Date: September 26, 1986.

j. Description of Project: The licensee proposes to surrender its license for transmission line. The transmission line was determined non-jurisdictional by the Commission and has been partially removed. A special use permit has been granted by the U.S. Forest Service for the .65-mile-long transmission portion of line.

k. This notice also consists of the following standard paragraphs: B, and C.

7 a. Type of Application: Amendment to Exemption from Licensing.

b. Project No.: 5730–002.

c. Date Filed: June 30, 1986.

d. Applicant: American Hydro Power Company.

e. Name of Project: Oakland Dam.

f. Location: Susquehanna River, Susquehanna County, Pennsylvania.

g. Filed Pursuant to: Section 408 of the Energy Security Act of 1980, 16 U.S.C. 2705 and 2709.

h. Contact Person: Mr. Peter A. McGrath, American Hydro Power Company, 33 Rock Hill Road, Bala Cynwyd, PA 19004–2010, (215) 668–8143.

i. Comment Date: September 29, 1986.

j. Description of Project: The applicant proposes to replace the existing 2-foot-high non-collapsable flashboards with a fixed concrete cap at the same crest elevation.

k. Purpose of Project: The existing flashboards are susceptible to damage by debris. Replacement by a concrete cap will prevent such damage.

l. This notice also consists of the following standard paragraphs: B, C, D3a.

8 a. Type of Application: Major License.

b. Project No.: 7481–003.

c. Date Filed: April 17, 1986.

d. Applicant: Enerco Corporation.

e. Name of Project: New York State Dam Project.

f. Location: On Mohawk River, in the Town Cohoes, Albany and Saratoga Counties, New York.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Malcolm M. Preston, Enerco Corporation, 5 Great Valley Parkway, Suite 262, Malvern, PA 19355, (215) 648–3941.

i. Comment Date: October 10, 1986.

j. Description of Project: The proposed project would consist of: (1) An existing 7 section amberson type dam, 5 of the sections are 132 feet long and 17.2 feet high, and two of the sections are 132 feet long and 16.7 feet high; (2) The two middle sections are topped by 0.5-foot-high flashboards (3) A reservoir with a surface area of 17 acres and gross storage capacity of 200 acre-feet and normal water surface elevation of 50 feet msl; (4) Twelve integral powerhouses 20-foot by 54-foot each containing a single generating unit rated at 630-kW, for a total installed capacity of 7,560-kW; (5) A buried 180-foot-long transmission line connecting to a Niagara Mohawk Power Corporation substation; and (6) Appurtenant

facilities. The Applicant estimates the annual average generation would be 35,600,000 kWh. The dam is owned and operated by the New York State Department of Transportation. This license application was filed pursuant to a preliminary permit, Project No. 7481–000 held by the Applicant.

k. Purpose of Project: All project energy generated would be sold to the Niagara Mohawk Power Corporation.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C.

9 a. Type of Application: Major License over 5MW.

b. Project No.: 9095–001.

c. Date Filed: December 26, 1985.

d. Applicant: Northwestern Pacific Power Company.

e. Name of Project: Genesee.

f. Location: The project is located on Red Clover and Last Chance Creeks within the Plumas National Forest near Taylorsville in T25N, R12E, Plumas County, California.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: J Ward MacDonald, President, Northwestern Pacific Power Company, Four Embarcadero Center, Suite 1980, San Francisco, CA 94111, (415) 433–3505.

i. Comment Date: October 20, 1986.

j. Description of Project: The proposed run-of-river project would consist of: (1) A 6-foot-high diversion weir at elevation 4,800 feet on Last Chance Creek and a 6-foot-high diversion weir at elevation 4,800 feet on Red Clover Creek; (2) A 15-foot diameter, 4,725-foot-long tunnel from the Last Chance Creek diversion to a point of bifurcation and a 72-inch diameter, 4,100-foot-long low pressure conduit from the Red Clover Creek diversion to the point of bifurcation; (3) A 72-inch diameter, 15,000-foot-long penstock leading from the point of bifurcation to the powerhouse; (4) A powerhouse at elevation 3,850 feet containing one generating unit with a rated capacity of 30 MW; (5) A tailrace returning flows to Red Clover Creek; and (6) A 4.0-mile-long 60-kV transmission line. The average annual energy generation is estimated to be 65 GWh. Total project costs are estimated to be $36,829,000.

k. Purpose of Project: The power produced will be sold to the Pacific Gas and Electric Company.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C and D1.

10 a. Type of Application: Preliminary Permit.

b. Project No.: 9518–000.

c. Date Filed: October 2, 1985.

d. Applicant: Calaveras County Water District.

e. Name of Project: Upper Mokelumne River Multipurpose Water Development Project.

f. Location: On Middle Fork Mokelumne River, South Fork Mokelumne River and Mokelumne River, near Rail Road Flat, in Calaveras County, California (In Sections 12, 13, 15, 16, 17, 18, 21, 22, 23, 26, 34, and 35 of T6N, R13E, MDB&M).

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Steve Felte, General Manager, Calaveras County Water District, 427 East St. Charles Street, San Andreas, CA 95247, (209) 754–3543.

i. Comment Date: October 10, 1986.

j. Description of Project: The proposed project would consist of: (1) A 50-foot-high, 120-foot-long Upper Mokelumne Diversion Dam located across South Fork Mokelumne River at elevation 2,000 feet msl; (2) A 20-foot-high, 100-foot-long diversion dam located across Middle Fork Mokelumne River at elevation 2,500 feet msl; (3) A 3,000-foot-long, 8-foot-diameter tunnel connecting the Middle Fork Mokelumne River to the Upper Mokelumne Reservoir; (4) A 6-foot-diameter, 9-mile-long diversion pipeline; (5) A 5-foot-diameter, 4,000-foot-long penstock; (6) A powerhouse with a total installed capacity of 12 MW operating under a head of 1,250 feet; and (7) A 1-mile-long, 230-kV transmission line interconnecting the project to an existing Pacific Gas and Electric Company (PG&E) line. The project's estimated average annual generation of 36 GWh will be sold to PG&E.

A preliminary permit, if issued, does not authorize construction. Applicant seeks issuance of a preliminary permit to investigate project design alternatives, financial feasibility, environmental effects of project construction and operation, and project power potential. Depending upon the outcome of the studies, the Applicant would decide whether to proceed with an application for development. Applicant estimates that the cost of the studies under permit would be $600,000.

k. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, and D2.

11 a. Type of Application: Small Conduit Exemption.

b. Project No.: 9820–001.

c. Date Filed: December 31, 1985, as supplemented June 19, 1986.

d. Applicant: Cross Flow Hydroelectric, Inc.

e. Name of Project: Cabazon Hydroelectric.

f. Location: On the existing Cabazon County Water District water supply system, which uses water from Millard Canyon Creek, Riverside County, California.

g. Filed Pursuant to: Section 30 of the Federal Power Act.

h. Contact Person: Mr. Robert R. Hunter, Cross Flow Hydroelectric, Inc., 2200 West Orangewood, Suite 250, Orange, CA 92668, (714) 978–0884.

i. Comment Date: September 22, 1986.

j. Description of Project: The proposed project would utilize a planned upgrade to the Cabazon water supply system and would consist of a powerhouse located at the discharge end of the 18-inch pipeline containing a generating unit rated at 375 kW and producing an average annual output of 1.45 GWh. Flow from the powerhouse would be directed via a short tailrace into a concrete box culvert which would pipe the flow to the existing storage tanks.

k. This notice also consists of the following standard paragraphs: A3, A9, B, C, and D3b.

12 a. Type of Application: Preliminary Permit.

b. Project No.: 10034–000.

c. Date Filed: July 9, 1986.

d. Applicant: CRV Corporation.

e. Name of Project: Crystal River.

f. Location: On the Crystal River, near Marble, in Gunnison County, Colorado.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person:

Mr. Robert F. Chaffin, 811 Colorado Avenue, Glenwood Springs, CO 81601, (303) 945–5474

Mr. Thomas A. Rogers, 274–A Grandview, Laguna Beach, CA 92651, (714) 494–6557

i. Comment Date: October 20, 1986.

j. Description of Project: The proposed run-of-the-river project would consist of: (1) A reconstructed 5-foot-high, 7-foot-long wingwall located on the Crystal River at elevation 8,484 feet msl; (2) An 80-inch-diameter, 3,900 foot-long steel penstock; (3) A powerhouse containing 2 turbine-generator units with a total rated capacity of 4.9 MW and producing an estimated average annual generation of 13.6 GWh; (4) A 150-foot-long riprap tailrace returning flows to the Crystal River at elevation 8,000 feet msl; (5) A switchyard; and (6) A 10-mile-long, 24-kV transmission line interconnecting the project to a Holy Cross Electric Association line near Redstone, Colorado. The proposed penstock would be located on White River Forest lands. The project would be located in the NW¼ of Section 30, Township 11S, Range 87W, the S½ and the N¼ of Section 25, Township 11S, Range 88W,

6th Principal Base and Meridian. Project power would be sold to the Colorado Ute Electric Association.

Portions of the proposed project are situated approximately three quarters of a mile from a designated wilderness area. None of the project area is included within a designated wilderness area or a wilderness study area. A portion of the project is included in a section of river that has been designated for study for inclusion in the National Wild and Scenic River System.

A preliminary permit, if issued, does not authorize construction. Applicant seeks to investigate project design alternatives, financial feasibility, environmental effects of project construction and operation, and project power potential. Depending upon the outcome of the studies, the Applicant would decide whether to proceed with an application for development. Applicant estimates that the cost of the studies under permit would be $40,000.

k. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, and D2.

13 a. Type of Application: Preliminary Permit.

b. Project No.: 10046–000.

c. Date Filed: July 21, 1986.

d. Applicant: Trans Mountain Construction Company.

e. Name of Project: Upper Clear Creek.

f. Location: On Clear Creek, near Georgetown, in Clear Creek County, Colorado.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Herbert C. Young, 123 S. Paradise Road, Golden, CO 80401, (303) 526–9296.

i. Comment Date: October 17, 1986.

j. Description of Project: The proposed project would consist of: (1) 6-foot-high, 10-foot-long diversion dam across Clear Creek at elevation 10,600 feet msl; (2) A 3-foot-diameter, 5,000-foot-long penstock; (3) A powerhouse containing 3 turbine-generator units (175 kW, 175 kW, 250 kW) with a total rated capacity of 600 kW, operating under a head of 240 feet, a maximum flow of 40 cfs, and producing an estimated average annual generation of 1.5 GWh; and, (4) A 500-foot-long, 25-kV transmission line interconnecting the project to an existing Public Service Company of Colorado (PSCC) line.

Applicant intends to sell power to PSCC. The project would be located in the SW¼ of Section 14 and the NE¼ of Section 22, Township 4 South, Range 76 West, 6th Principal Base and Meridian.

A preliminary permit, if issued, does not authorize construction. Applicant seeks to investigate project design alternatives, financial feasibility, environmental effects of project construction and operation, and project power potential. Depending upon the outcome of the studies, the Applicant would decide whether to proceed with an application for development. Applicant estimates that the cost of the studies under permit would be $80,000.

k. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, and D2.

14 a. Type of Application: License.

b. Project No.: 7962–001.

c. Date Filed: May 30, 1986.

d. Applicant: Robert W. Shaw.

e. Name of Project: Baldwin.

f. Location: Connecticut River, Village of Pittsburg, Coos County, New Hampshire.

g. Filed Pursuant to: 16 U.S.C. 791(a)–825(r).

h. Contact Person: Robert W. Shaw, 4 Pleasant Street, P.O. Box 17, Colebrook, NH 03576, (603) 237–4358.

i. Comment Date: October 17, 1986.

j. Description of Project: The proposed project would consist of: (1) The existing breached timber crib dam which would be rehabilitated and would be 158 feet long, including an 8-foot-high, 66-foot-long spillway surmounted by 2-foot-high flashboards, and piers and gate structures having a combined length of 92 feet and a maximum height of 18 feet impounding a reservoir at elevation 1299 feet having a surface area of 2 acres and a gross storage capacity of 16 acre-feet; (2) A reinforced concrete canal intake structure integral with the dam; (3) A 4,000-foot-long canal; (4) A penstock intake structure at the end of the canal; (5) A 10-foot-diameter, 300-foot-long penstock; (6) A reinforced concrete powerhouse containing a single 4,000 kW turbine/generator with a 600 cfs hydraulic capacity; (7) A 400-foot-long tailrace with water surface elevation 1197 feet; (8) A 3,300-foot-long, 34.5-kV transmission line; and (9) Appurtenant facilities. The applicant estimates the average annual energy generation will be 18 GWh. The owner of the project site is the New England Power Company.

k. This notice also consists of the following standard paragraphs: A3, A9, B, C, and D1.

15 a. Type of Application: Minor License.

b. Project No.: 9273–000.

c. Date Filed: June 3, 1985.

d. Applicant: Upstate Hydro Associates.

e. Name of Project: Seneca Mills.

f. Location: On the Keuka Outlet in Yates County, New York.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: John Benjamin Guthrie, 6235 Bridge Street, Box 113, Valois, NY 14888, (315) 471–3123.

i. Comment Date: October 16, 1986.

j. Description of Project: The proposed run-of-river project would consist of: (1) An existing 20-foot-high and 150-foot-long stone gravity dam (now breached) with a crest elevation of 598 feet mean sea level; (2) An impoundment with a surface area of 4 acres; (3) An existing intake structure; (4) Two 50-foot-long penstocks, 3 feet and 5 feet in diameter; (5) 3 new submersible turbine-generator units with a total installed capacity of 830 kW; (6) A new switch house; (7) A new 70-foot-long transmission line; and (8) Other appurtenances. Applicant estimates an average annual generation of 3,609,410 kWh. Existing facilities are owned by the New York State Electric & Gas Corporation.

k. Purpose of Project: Project energy would be sold to the local utility.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C, and D1.

16 a. Type of Application: Major License (less than 5 MW).

b. Project No.: 10011–000.

c. Date Filed: June 5, 1986.

d. Applicant: Middlebury Falls Hydropower, Inc.

e. Name of Project: Middlebury Falls.

f. Location: Otter Creek, Addison County, Vermont.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Matthew J. Bonaccorsi, Timothy Buzzell & Associates, Inc., Methodist Hill Road, Lebanon, NH 03766, (603) 448–3245.

i. Comment Date: September 25, 1986.

j. Competing Application: Project No. 9969–000. Date Filed: April 14, 1986.

k. Description of Project: The proposed run-of-river project would consist of: (1) An existing three-foot-high, 180-foot-long concrete dam with crest elevation 337 feet mean sea level and impounding a negligible amount of water; (2) A proposed concrete intake structure; (3) Two 50-foot-long steel penstocks, one 8 feet in diameter and the other 14 feet in diameter; (4) A concrete powerhouse containing two turbine-generators rated 400 kW and 2,300 kW at an average head of 22.5 feet, having a total hydraulic capacity of 1,800 cfs and generating an estimated 9.9 GWh annually; (5) A 60-foot-long tailrace at an elevation of 314 feet mean sea level; (6) A 200-foot-long, 4.16-kV underground transmission line to an existing Central Vermont Public Service Corporation line; and (7) Appurtenant facilities.

Project power would be sold to Central Vermont Public Service Corporation. The existing facilities are owned by the Town of Middlebury, Vermont.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C, and D1.

17 a. Type of Application: Exemption (5MW).

b. Project No.: 9717–000.

c. Date Filed: December 24, 1985, as supplemented May 22, 1986.

d. Applicant: Pat Landers.

e. Name of Project: Snowy Range Ranch.

f. Location: On the East Fork Mill Creek, in Sec. 17, T65, R10E, near Livingston, in Park County, Montana.

g. Filed Pursuant to: Section 408 of the Energy Security Act of 1980 (16 U.S.C. 2705 and 2708 as amended).

h. Contact Person: Mr. Roger Kirk, Hydrodynamics, Inc., P.O. Box 6165, Bozeman, MT 59771, (406) 586–1272.

i. Comment Date: October 2, 1986.

j. Description of Project: The proposed project would restore an existing hydro plant which consists of: (1) A 4-foot-high diversion weir at elevation 5,790 feet; (2) A 1,600-foot-long diversion canal; (3) A 200-foot-long, 20-inch-diameter penstock; and (4) A powerhouse containing a generating unit rated at 45kW. Average annual generation would be .15 GWh.

k. Purpose of Project: Project power would be sold to Park Electric Cooperative.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C, and D3a.

18 a. Type of Application: Major License (5MW or less).

b. Project No.: 9756–000.

c. Date Filed: December 30, 1985 and amended on June 12, 1986.

d. Applicant: Edward T. Navikis.

e. Name of Project: Deer Creek Power Project.

f. Location: On Deer and Squirrel Creeks, near the Town of Grass Valley, in Nevada County, California (In Sections 19, 20, 24, and 30, T16N, R7E, M.D.M.&B).

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Edward T. Navikis, P.O. Box 1578, Grass Valley, California 95945, (916) 432–2560.

i. Comment Date: October 16, 1986.

j. Description of Project: Water will be diverted from Deer and Squirrel Creeks through a common forebay and penstocks to a powerhouse on Squirrel Creek. The proposed project would consist of: (1) A 60-foot-long, 3-foot-high existing concrete diversion dam on Deer Creek with a crest elevation of 1,130 feet msl; (2) A 70-foot-long, 18-foot-high existing concrete diversion dam on Squirrel Creek with a crest elevation of 1,100 feet msl; (3) Two existing gated power canal intakes; (4) Two in-situ power canal sections totaling 11,500 feet in length; (5) A 4-foot-deep forebay having a surface area of 0.25 acre; (6) Two 850-foot-long steel penstocks, 60 and 48 inches in diameter; (7) A concrete and wood powerhouse at elevation 840 feet msl containing three generating units with combined rated capacity of 4800 kW, at a net head of 248 feet, discharging into; (8) A 30-foot-long tailrace terminating at Squirrel Creek; (9) A 1,200-foot-long, 21-kV transmission line connecting the project to a Pacific Gas and Electric Company distribution line; and (10) Appurtenant facilities. Applicant estimates the average annual energy generation at 7.9 GWh. The existing facilities, abandoned by the Nevada Irrigation District, would be rehabilitated by the Applicant.

k. Purpose of Project: Project energy will be sold to the Pacific Gas and Electric Company.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C, & D1.

19 a. Type of Application: Conduit Exemption.

b. Project No.: 9827–000.

c. Date Filed: December 31, 1985.

d. Applicant: Snowbird, Ltd.

e. Name of Project: Wasatch Tunnel Hydro Project.

f. Location: Wasatch Drain Tunnel in Salt Lake County, UT.

g. Filed Pursuant to: Section 30 of the Federal Power Act.

h. Contact Person: A. Colin Jackson, President, Snowbird Development Co., Snowbird, Ltd., Snowbird, UT 84092.

i. Comment Date: September 26, 1986.

j. Description of Project: The proposed project would utilize the existing Wasatch Drain Tunnel culinary water system, operated by the Salt Lake County Service Area No. 3, and would consist of: (1) An underground powerhouse, inside the tunnel about 775 feet from its outlet, containing a turbine-generator unit rated at 500 kW and operating under a 600-foot head; and (2) Appurtenant facilities. The Applicant estimates that the average annual energy output would be 2,300,000 kWh.

k. Purpose of Project: Project energy would be utilized by the Applicant.

l. This notice also consists of the following standard paragraphs: A3, A9, B, C and D3b.

20 a. Type of Application: Preliminary Permit.

b. Project No.: 9963–000.

c. Date Filed: April 7, 1986.

d. Applicant: JK Inc.

e. Name of Project: Andro.

f. Location: Androscoggin River in Oxford County, Maine.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Mr. Jenness N. Buck, JK Inc., Box 98, Hanover, ME 04237, (207) 364–3947.

i. Comment Date: September 26, 1986.

j. Competing Application: Project No. 10001. Date Filed: May 29, 1986.

k. Description of Project: The proposed project would consist of: (1) A proposed 25-foot-high, 550-foot-long earth dam with a spillway elevation of 410 feet msl; (2) A proposed reservoir with a surface area of 183 acres and a gross storage capacity of 1,830 acre-feet; (3) A proposed powerhouse at the base of the dam containing a generating unit with a rated capacity of 5,300 kW; and (4) A proposed 300-foot-long transmission line tying into the existing Central Maine Power Company system. The applicant estimates a 32,000 MWh average annual energy production.

l. Proposed Scope of Studies Under Permit: A preliminary permit, if issued, does not authorize construction. Applicant seeks issuance of a preliminary permit to investigate project design alternatives, financial feasibility, environmental effects of project construction and operation, and project power potential. Depending upon the outcome of the studies, the applicant would decide whether to proceed with an application for FERC license. Applicant estimates that the cost of the studies under permit would be $300,000.

m. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, and D2.

21 a. Type of Application: Preliminary Permit.

b. Project No: 10048–000.

c. Date Filed: July 23, 1986.

d. Applicant: Turner Creek Power Company, Inc.

e. Name of Project: Turner Creek.

f. Location: Turner Creek, near Sierraville, in Sierra County, California.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)—825(r).

h. Contact Person: Mr. Russell Turner, Turner Creek Power Company, Inc., P.O. Box 7, Sattley, CA 96124, (916) 587–1470.

i. Comment Date: October 20, 1986.

j. Description of Project: The proposed run-of-the-river project would consist of: (1) An 8-foot-high, 30-foot-long concrete diversion dam across Turner Creek and below the confluence of Big Canyon and Turner Canyon Creeks; (2) A 14-inch-diameter, 5,000-foot-long, penstock; (3) A powerhouse containing a single turbine-generator unit with a rated capacity of 250 kW, operating under a head of 780

feet and a hydraulic capacity of 5 cfs, and producing an estimated average annual generation of 1.01 GWh; (4) A concrete lined tailrace returning flows to Turner Creek; and (5) A 2,600-foot-long, 12.5-kV transmission line interconnecting the project to an existing Plumas-Sierra Rural Electric Company line. The proposed diversion dam and penstock would be partially located on Tahoe National Forest lands. The proposed project would be located in Sections 31 and 32, Township 21 North, Range 14 East, MDB&M and Section 12, Township 20 North, Range 13 East, MDB&M, Sierra County, California.

A preliminary permit, if issued, does not authorize construction. The term of the proposed preliminary permit is 36 months. The work proposed under the preliminary permit would include economic analysis, preparation of preliminary engineering plans, and a study of environmental impacts. Based on results of these studies Applicant would decide whether to proceed with more detailed studies and the preparation of an application for license to construct and operate the project. Applicant estimates that the cost of the work to be performed under the preliminary permit would be between $20,000 and $30,000.

k. This notice also consists of the following standard paragraphs: A5, A7, A9, B, C, and D2.

22 a. Type of Application: Amendment of License.

b. Project No.: 2593–004.

c. Date Filed: July 1, 1986.

d. Applicant: Missisquoi Associates.

e. Name of Project: Beaver Falls.

f. Location: Beaver River in Lewis County, New York.

g. Filed Pursuant to: Federal Power Act, 16 U.S.C. 791(a)–825(r).

h. Contact Person: Ms. Amy S. Koch, Reid & Priest, 1111 19th Street, NW., Washington, DC 20036, (202) 828–0100.

i. Comment Date: October 6, 1986.

j. Description of Amendment: On July 1, 1986, Missisquoi Associates (licensee) filed an application to amend article 21 of its license for the Beaver Falls Project No. 2593. The licensee proposes to amend article 21 as follows:

Licensee, shall, continue to consult and cooperate with the New York State Department of Environmental Conservation and the U.S. Fish and Wildlife Service to assess the existing intake structure's ability to protect fish moving downstream from being entrained. Within 1 year of the effective date of this amended article, Licensee shall report to the Commission and submit comments from the above referenced agencies regarding the status of this further consultation. The Commission reserves the right to take whatever action it deems necessary regarding the existing intake structure.

k. This notice also consists of the following standard paragraphs: B and C.

Standard Paragraphs

A3. Development Application—Any qualified development applicant desiring to file a competing application must submit to the Commission, on or before the specified comment date for the particular application, a competing development application, or a notice of intent to file such an application. Submission of a timely notice of intent allows an interested person to file the competing development application no later than 120 days after the specified comment date for the particular application. Applications for preliminary permit will not be accepted in response to this notice.

A4. Development Application—Public notice of the filing of the initial development application, which has already been given, established the due date for filing competing applications or notices of intent. In accordance with the Commission's regulations, any competing development applications or notices of intent to file competing development applications, must be filed in response to and in compliance with the public notice of the initial development application. No competing applications or notices of intent may be filed in response to this notice.

A5. Preliminary Permit—Anyone desiring to file a competing application for preliminary permit for a proposed project must submit the competing application itself, or a notice of intent to file such an application, to the Commission on or before the specified comment date for the particular application (see 18 CFR 4.36 (1985)). Submission of a timely notice of intent allows an interested person to file the competing preliminary permit application no later than 30 days after the specified comment date for the particular application.

A competing preliminary permit application must conform with 18 CFR 4.30(b)(1) and (9) and 4.36.

A7. Preliminary Permit—Any qualified development applicant desiring to file a competing development application must submit to the Commission, on or before the specified comment date for the particular application, either a competing development application or a notice of intent to file such an application. Submission of a timely notice of intent to file a development application allows an interested person to file the competing application no later than 120 days after the specified comment date for the particular application.

A competing license application must conform with 18 CFR 4.30(b)(1) and (9) and 4.36.

A8. Preliminary Permit—Public notice of the filing of the initial preliminary permit application, which has already been given, established the due date for filing competing preliminary permit and development applications or notices of intent. Any competing preliminary permit or development application, or notice of intent to file a competing preliminary permit or development application, must be filed in response to and in compliance with the public notice of the initial preliminary permit application. No competing applications or notices of intent to file competing applications may be filed in response to this notice.

A competing license application must conform with 18 CFR 4.30(b)(1) and (9) and 4.36.

A9. Notice of intent—A notice of intent must specify the exact name, business address, and telephone number of the prospective applicant, include an unequivocal statement of intent to submit, if such an application may be filed, either: (1) A preliminary permit application or (2) a development application (specify which type of application), and be served on the applicant(s) named in this public notice.

B. *Comments, Protests, or Motions to Intervene*—Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of the Rules of Practice and Procedure, 18 CFR 385.210, 385.211, 385.214. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

C. *Filing and Service of Responsive Documents*—Any filings must bear in all capital letters the title "COMMENTS", "NOTICE OF INTENT TO FILE COMPETING APPLICATION", "COMPETING APPLICATION", "PROTEST" OR "MOTION TO INTERVENE", as applicable, and the Project Number of the particular application to which the filing is in response. Any of the above named documents must be filed by providing the original and the number of copies required by the Commission's regulations to: Kenneth F. Plumb,

Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426. An additional copy must be sent to: Mr. Fred E. Springer, Director, Division of Project Management, Federal Energy Regulatory Commission, Room 203–RB, at the above address. A copy of any notice of intent, competing application or motion to intervene must also be served upon each representative of the Applicant specified in the particular application.

D1. *Agency Comments*—Federal, State, and local agencies that receive this notice through direct mailing from the Commission are requested to provide comments pursuant to the Federal Power Act, the Fish and Wildlife Coordination Act, the Endangered Species Act, the National Historic Preservation Act, the Historical and Archeological Preservation Act, the National Environmental Policy Act, Pub. L. No. 88–29, and other applicable statutes. No other formal requests for comments will be made.

Comments should be confined to substantive issues relevant to the issuance of a license. A copy of the application may be obtained directly from the Applicant. If an agency does not file comments with the Commission within the time set for filing comments, it will be presumed to have no comments. One copy of an agency's comments must also be set to the Applicants representatives.

D2. *Agency Comments*—Federal, State, and local agencies are invited to file comments on the described application. (A copy of the application may be obtained by agencies directly from the Applicant.) If an agency does not file comments within the time specified for filing comments, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

D3a. *Agency Comments*—The U.S. Fish and Wildlife Service and the State Fish and Game agency(ies) are requested, for the purposes set forth in Section 408 of the Energy Security Act of 1980, to file within 60 days from the date of issuance of this notice appropriate terms and conditions to protect any fish and wildlife resources or to otherwise carry out the provisions of the Fish and Wildlife Coordination Act. General comments concerning the project and its resources are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly identified in the agency letter. If an agency does not file terms and conditions within this time period, that agency will be presumed to have none. Other Federal, State, and local agencies are requested to provide any comments they may have in accordance with their duties and responsibilities. No other formal requests for comments will be made. Comments should be confined to substantive issues relevant to the granting of an exemption. If an agency does not file comments within 60 days from the date of issuance of this notice, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

D3b. *Agency Comments*—The U.S. Fish and Wildlife Service and the State Fish and Game agency(ies) are requested, for the purposes set forth in section 30 of the Federal Power Act, to file within 45 days from the date of issuance of this notice appropriate terms and conditions to protect any fish and wildlife resources or otherwise carry out the provisions of the Fish and Wildlife Coordination Act. General comments concerning the project and its resources are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly identified in the agency letter. If an agency does not file terms and conditions within this time period, that agency will be presumed to have none. Other Federal, State, and local agencies are requested to provide comments they may have in accordance with their duties and responsibilities. No other formal requests for comments will be made. Comments should be confined to substantive issues relevant to the granting of an exemption. If an agency does not file comments within 45 days from the date of issuance of this notice, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

Dated: August 26, 1986, Washington, DC.

Kenneth F. Plumb,

Secretary.

[FR Doc. 86–19553 Filed 8–28–86; 8:45 am]

BILLING CODE 6717-01-M

ENVIRONMENTAL PROTECTION AGENCY

[OPPE FRL-3072-2]

Agency Information Collection Activities Under OMB Review

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice.

SUMMARY: Section 3507(a)(2)(B) of the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*) requires the Agency to publish in the **Federal Register** a notice of proposed information collection requests (ICRs) that have been forwarded to the Office of Management and Budget (OMB) for review. The ICR describes the nature of the solicitation and the expected impact, and where appropriate includes the actual data colleciton instrument. The following ICR is available for review and comment.

FOR FURTHER INFORMATION CONTACT: Nanette Liepaman, (202) 382–2740 or FTS 382–2740.

SUPPLEMENTARY INFORMATION:

Office of Pesticides and Toxic Substances

Title: Data Call-In/Registration Standards Program, EPA ICR 0922. (This is an extension of an existing collection; no change is proposed.)

Abstract: Under section 3 of the Federal Insecticide, Fungicide and Rodenticide Act, as amended, EPA requires manufacturers to submit test data when registering or re-registring certain pesticides to determine whether the chemicals cause an unreasonable adverse effect on man and the environment.

Respondents: Pesticide manufacturers.

Agency PRA Clearance Requests Completed by OMB

EPA ICR #1170, Collection of Emergency Economic and Regulatory Support Data: Request for Generic Clearance, was approved 8/18/86 (OMB #2070–0034; expires 8/31/89).

EPA ICR #1293, Development of NSPS for Small Boilers, was approved 8/12/86 (OMB #2060–0138; expires 6/30/88).

* * * * *

Comments on all parts of this notice may be sent to:

Nanette Liepman, U.S. Environmental Protection Agency, Office of Standards and Regulations (PM–223), Information and Regulatory Systems Division, 401 M Street, SW., Washington, DC 20460

and

Carlos Tellez, Office of Management and Budget, Office of Information and Regulatory Affairs, New Executive Office Building (Room 3228), 726 Jackson Place, NW, Washington, DC 20503

Dated: August 26, 1986.

Odelia Funke,

Acting Director, Information and Regulatory Systems Division.

[FR Doc. 86–19599 Filed 8–28–86; 8:45 am]

BILLING CODE 6560-50-M

[ER-FRL-3071-8]

Environmental Impact Statements; Availability

Responsible Agency: Office of Federal Activities, General Information (202) 382–5073 or (202) 382–5075.

Availability of Environmental Impact Statements Filed August 18, 1986 Through August 22, 1986 Pursuant to 40 CFR 1506.9.

EIS No. 860336, Draft, FHW, WI, North Corridor Arterial and Chippewa River Crossing Construction, US 12 to US 53, Eau Claire County, Due: October 14, 1986, Contact: Robert Cooper (608) 264–5956.

EIS No. 860337, Final, IBR, CA, Grass Valley Creek Debris Dam Sediment Control Project, Trinity River, Construction and Operation, Trinity County, Due: September 29, 1986, Contract: David Gore (916) 978–4966.

EIS No. 860338, Draft, COE, TX, Galveston Bay Area Navigation Improvements, Houstion Ship and Galveston Channels, Galveston and Harris Counties, Due: October 17, 1986, Contact: Charles Harbaugh (409) 766–3044.

EIS No. 860339, Draft, AFS, CA, Eldorado National Forest, Land and Resource Management Plan, Due: November 27, 1986, Contact: Jerald Hutchins (916) 622–5061.

EIS No. 860340, Draft, NPS, CA, Sequoia-Kings Canyon National Parks, Grant Grove and Redwood Mountain Areas, Development and Use, Fresno County, Due: November 7, 1986, Contact: John Davis (209) 565–3341.

EIS No. 860341, Report, COE, HI, West Beach Resort Development, Marina and Beach Lagoons Construction, Updated Information, Contact: Michael Lee (808) 438–9258.

EIS No. 860342, Draft, FHW, OR, North Roseburg Interchange/I–5 Construction, I–5 to Oakland-Shady Highway, Douglas County, Due: October 23, 1986, Contact: Dale Wilken (503) 399–5749.

EIS No. 860343, Final, AFS, NV, Humboldt National Forest, Land and Resource Management Plan, Due: September 29, 1986, Contact: B.J. Graves (702) 738–5171.

EIS No. 860344, Final, COE, IL, North-South Tollway Construction, Fill Material Discharge, Lily Cache Creek and Du Page River, Du Page and Will Counties, Due: September 29, 1986, Contact: Tom Slowinski (312) 353–6428.

EIS No. 860345, Final, FHW, PA, Industrial Highway/PA–291/LR 542 Improvement, 4th and Price Streets to Ridley Creek, Delaware County, Due: September 29, 1986, Contact: Manuel Marks (717) 782–2222.

EIS No. 860346, Final, BLM, CA, Clear Lake Resource Area, Cedar Roughs and Rocky Creek-Cache Creek Wilderness Study Areas, Wilderness Recommendations, Due: November 21, 1986, Contact: Van Manning (707) 462–3873.

EIS No. 860347, Draft, UAF, AK, Alaskan Radar System, Over-the-Horizon Backscatter Radar Program, Construction and Operation, Elmendorf Air Force Base, Due: October 14, 1986, Contact: Lt. V.G. Brown (617) 271–5380.

EIS No. 860348, Draft, BLM, ID, Cascade Resources Area, Resource Management Plan, Due: November 28, 1986, Contact: Richard Geier (208) 334–1582.

Amended Notice

EIS No. 860003, FSuppl, COE, AL, Upper Santa Ana River Main Stem and Santiago Creek Flood Control Project, Mentone Dam Upstream Flood Storage Alternative, Published FR 1–17–86–Officially Withdrawn—Note: EIS 860003, FS, was erroneously filed with the EPA in January 1986. The official filing of the EIS appeared in the August 22, 1986 FR.

Dated: August 26, 1986.

Allan Hirsch,

Director, Office of Federal Activities.

[FR Doc. 86–19638 Filed 8–28–86; 8:45 am]

BILLING CODE 6560–50

[ER-FRL-3071-9]

Environmental Impact Statements and Regulations; Availability of EPA Comments

Availability of EPA comments prepared August 11, 1986 through August 15, 1986 pursuant to the Environmental Review Process (ERP), under section 309 of the Clean Air Act and section 102(2)(c) of the National Environmental Policy Act as amended. Requests for copies of EPA comments can be directed to the Office of Federal Activities at (202) 382–5076/73. An explanation of the ratings assigned to draft environmental impact statements (EISs) was published in FR dated February 7, 1986 (51 FR 4804).

Draft EISs

ERP No. D–BLM–J61068–UT, Rating EO2, Utah Statewide Wilderness Study Areas, Wilderness Designation, UT. Summary: EPA expressed serious concerns with the draft EIS and recommended that the process be revised to use this EIS as a programmatic statement on statewide wilderness, supplemented by separate EIS's on cluster Wilderness Study areas. EPA's concerns included exclusion of areas qualified for wilderness study without explanation in the draft EIS, incorrect application of the mineral value conflicts, failure to consider wilderness designation in the context of other BLM land use plans, failure to appropriately cluster areas for wilderness study, and inconsistent application of BLM's management capabilities.

ERP No. D–COE–C32031–NJ, Rating LO, Claremont Terminal Channel Navigation Improvements, NJ. Summary: EPA believes that there will be no significant environmental impacts as a result of implementing the proposed project.

ERP No. D–COE–F35039–OH, Rating EC2, Toledo Harbor Confined Disposal Facility and Maintenance Dredging, Construction, OH. Summary: EPA concluded that upland disposal sites were not adequately considered. EPA is also concerned with the loss of aquatic habitat and the lack of a mitigation proposal for same. EPA requested more information regarding the structure and pollutant containment capability of the dike walls.

ERP No. D–USN–K09803–CA, Rating LO, Navy Geothermal Development Program, Power Plant Construction and Operation, Coso Known Geothermal Resource Area, CA. Summary: EPA suggested additional information be included in the final EIS on issues related to the Underground Injection Control (UIC) program Class V wells, and the adoption of a UIC monitoring plan.

ERP No. DS–USN–C10002–NJ, Rating EC2, Naval Weapons Station Earle, Logistic Support System, Modernization and Expansion and Issuance of COE Section 10, 404, and 103 Permits, Project Modifications, (USN and COE Joint Lead Agencies), NJ. Summary: EPA believes the proposed project, as modified and reduced in scope in the draft supplemental EIS, will not have significant adverse environmental impacts. However, we requested further information regarding possible relocation of the tank farm, the discharge method for the oil-water separation system, and plans to respond to potential oil spills. EPA does not object to the COE adoption of the USN final EIS (1980) as background information.

Final EISs

ERP No. F–COE–C10002–NJ, Naval Weapons Station Earle, Logistic Support System, Modernization and Expansion and Issuance of COE Section 10. 404,

and 103 Permits, Project Modifications, (COE Adoption of USN Final EIS (1980)), NJ. Summary: See above Summary for DS–USN–C10002–NJ.

ERP No. F–COE–C32030–00, Arthur Kill Channel Navigation Improvements, Howland Hook Marine Terminal Vicinity, NJ and NY. Summary: EPA's concerns regarding the proposed project have been resolved. However, additional sediment testing will be required to determine the acceptability of ocean disposal of the dredged material.

ERP No. F–FHW–G40116–LA, Eden Isles Interchange Construction, I–10 Access Point, Between Gause Blvd. and Lake Pontchartrain, 404 and 10 Permits, LA. Summary: The final EIS adequately responded to EPA comments issued on the draft EIS. EPA has not identified any new issues of concern with regard to the proposed action.

ERP No. FS–SFW–A86084–00, Migratory Bird Hunting in the United States, Use of Lead Shotgun Pellets, Regulations, US. Summary: EPA noted positive changes over the draft supplemental EIS, specifically, the adoption of a new preferred alternative (VII–3) which results in a nationwide ban of the use of lead shot for migratory waterfowl hunting in 1991. However, EPA recommended that the Fish and Wildlife Service adopt Alternative V, which would extend the prohibition to include non-waterfowl migratory bird species and proposes the prohibition of the use of lead shot by migratory flyway, banning its use first in the Mississippi Flyway for the 1986/87 season, in the Atlantic Flyway in the 1987/88 season, etc., until a nationwide ban is achieved. Alternative V is the proposal which most effectively protects migratory birds and their habitats, and does so without the enforcement problems and survey costs associated with the Preferred Alternative.

ERP No. F–SFW–K64008–HI, Hawaiian Islands National Wildlife Refuge Mgmt. Plan, HI. Summary: EPA expressed concerns that the Refuge's water quality and pristine ecosystems may not be preserved under the proposed boundaries, and supported the adoption of monitoring programs to determine if changes in management strategy would be warranted.

ERP No. F–VAD–F81011–MI, Allen Park Veterans Administration Medical Center, Replacement/Modernization, Construction, MI. Summary: EPA's review resulted in no objections to the preferred alternative.

Allan Hirsch,

Director, Office of Federal Activities.

[FR Doc. 86–19639 Filed 8–28–86; 8:45 am]

BILLING CODE 6560–50–M

[OPPE–FRL–3073–5]

Advisory Committee to Negotiate Hazardous Waste Injection Restrictions; Establishment and Open Meeting

As required by section 9(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), we are giving notice of the establishment of an Advisory Committee to Negotiate Hazardous Waste Injection Restrictions. We have determined that this is in the public interest and will assist the Agency in performing its duties prescribed in sections 3004(f) and (g) of the Resource Conservation and Recovery Act (RCRA), as amended by the Hazardous and Solid Waste Amendments (HSWA) of 1984.

Copies of the Committee charter will be filed with appropriate committees of Congress and the Library of Congress.

The Committee's initial meeting will be held on September 16, 1986 at the National Institute for Dispute Resolution, 1901 L Street, NW., Suite 600, Washington, DC. The Agency has issued this Notice promptly upon confirmation of the establishment of the Committee. Due to the need for an expeditious regulation, the Agency is giving this Notice less than 15 days prior to the meeting. The Committee has notified interested parties on its mailing list of the meeting date.

The meeting will start at 9:00 a.m. and will run until completion. The purpose of the meeting is to complete any outstanding procedural matters, to determine how best to address the substantive issues, and to begin to address them.

If interested in attending, or in receiving more information, please contact Kathy Tyson at (202) 382–5352.

Dated: August 27, 1986.

Milton Russell,

Assistant Administrator for Policy, Planning and Evaluation.

[FR Doc. 86–19726 Filed 8–28–86; 8:45 am]

BILLING CODE 6560–50–M

[OPPE–FRL–3073–4]

Advisory Committee To Negotiate Regulations Governing Major and Minor Modifications of Resource Conservation and Recovery Act (RCRA) Permits; Establishment and Open Meeting

As required by section 9(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), we are giving notice of the establishment of an Advisory Committee to Negotiate Regulations Governing Major and Minor Modifications of Resource Conservation and Recovery Act (RCRA) Permits. We have determined that this is in the public interest and will assist the Agency in performing its duties prescribed in 40 CFR Part 270 Subpart D, under the Resource Conservation and Recovery Act (RCRA).

Copies of the Committee charter will be filed with appropriate committees of Congress and the Library of Congress.

The Committee's initial meeting will be held on September 10, 1986 at the National Insitutute for Dispute Resolution, 1910 L Street, NW., Suite 600, Washington, D.C. The Agency has issued this Notice promptly upon confirmation of the establishment of the Committee. Due to the need for an expeditious regulation, the Agency is giving this Notice less than 15 days prior to the meeting. The Committee has notified interested parties on its mailing list of the meeting dates.

The meting will start at 9:00 a.m. and will run until completion. The purpose of the meeting is to complete any outstanding procedural matters, to determine how best to address the substantive issues, and to begin to address them.

If interested in attending, or in receiving more information, please contact Kathy Tyson at (202) 382–5352.

Dated: August 27, 1986.

Milton Russell,

Assistant Administrator for Policy, Planning and Evaluation.

[FR Doc. 86–19727 Filed 8–28–86; 8:45 am]

BILLING CODE 6560–50–M

FRL–3071–7

Federal Radiation Protection Guidance; Public Hearing on Proposed Alternatives for Controlling Public Exposure to Radiofrequency Radiation

AGENCY: Environmental Protection Agency (EPA).

ACTION: Announcement of public hearing.

SUMMARY: A public hearing to consider proposed alternatives for controlling public exposure to radiofrequency (RF) radiation has been scheduled for September 22–23, 1986.

DATES: A public hearing on the proposed alternatives will be held on September 22–23, 1986, in Washington, D.C. Interested parties are invited to testify. Requests to participate in the hearing should be made in writing by September 18, 1986.

Written statements and comments on the proposed alternatives may be entered into the record on or before October 28, 1986.

ADDRESSES: The hearing will be held at the General Services Administration first floor auditorium, F Street between 18th and 19th Streets, NW., Washington, DC, from 9:00 a.m. to 5:00 p.m. each day. Requests to participate in the hearing should be made in writing to David E. Janes, Director, Analysis and Support Division (ANR–461), Office of Radiation Programs, U.S Environmental Protection Agency, Washington, DC 20460. Requests should include an outline of the topic to be addressed in the opening statement and the names of the participants. Participants are requested to provide five copies of any prepared statements. Presentations should be limited to 30 minutes. Please indicate a preferred date for testimony. Prospective participants should advise EPA of any need for special accommodations for physical handicaps.

Written comments should be submitted to: Central Docket Section (LE–131), U.S Environmental Protection Agency, Washington, DC 20460, Attention: Docket A–81–43. The rulemaking docket, containing information used by EPA in developing the proposed standard is available for public inspection between 8:00 a.m. and 4:00 p.m., Monday through Friday at EPA's Central Docket Section, West Tower Lobby, Gallery One, Waterside Mall, 401 M Street, SW., Washington, DC 20460. A reasonable fee may be charged for copying.

FOR FURTHER INFORMATION CONTACT: Norbert N. Hankin, Analysis and Support Division (ANR–461), Office of Radiation Programs, U.S Environmental Protection Agency, Washington, DC 20460, (202) 475–9630.

SUPPLEMENTARY INFORMATION: The proposed alternatives for controlling public exposure to RF radiation were announced in the **Federal Register** on July 30, 1986, (51 FR 27318).

Dated: August 28, 1986.

Don R. Clay,

Acting Assistant Administrator for Air and Radiation.

[FR Doc. 86–19600 Filed 8–28–86; 8:45 am]

BILLING CODE 6560–50–M

FEDERAL RESERVE SYSTEM

Ameritrust Corp. et al.; Formations of, Acquisitions by and Mergers of Bank Holding Companies

The companies listed in this notice have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Each application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank or to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Unless otherwise noted, comments regarding each of these applications must be received not later than September 22, 1986.

A. Federal Reserve Bank of Cleveland (John J. Wixted, Jr., Vice President) 1455 East Sixth Street, Cleveland, Ohio 44101:

1. *AmeriTrust Corporation,* Cleveland, Ohio, and *First Indiana Bancorp,* Elkhart, Indiana; to acquire 100 percent of the voting shares of Central Indiana Bancorp, Inc., Fairland, Indiana.

AmeriTrust Corporation, Cleveland, Ohio, and *First Indiana Bancorp,* Elkhart, Indiana; have also applied to acquire 100 percent of the voting shares of Union Banc Corp., Kokomo, Indiana.

2. *Banc One Corporation,* Columbus, Ohio; to acquire 100 percent of the voting shares of First National Bank of Fenton, Fenton, Michigan.

3. *Huntington Bancshares Incorporated and Huntington Bancshares of Indiana, Inc.,* Columbus, Ohio; to acquire 100 percent of the voting shares of Wainwright Financial Corporation, Noblesville, Indiana.

4. *Woodford Bancorp, Inc.,* Versailles, Kentucky; to become a bank holding company by acquiring 100 percent of the voting shares of The Woodford Bank & Trust Company, Versailles, Kentucky.

Board of Governors of the Federal Reserve System, August 25, 1986.

James McAfee,

Associate Secretary of the Board.

[FR Doc. 86–19557 Filed 8–28–86; 8:45 am]

BILLING CODE 6210–01–M

Central Wisconsin Bancshares, Inc., et al.; Acquisition of Company Engaged in Permissible Nonbanking Activities

The organization listed in this notice has applied under § 225.23(a)(2) or (f) of the Board's Regulation Y (12 CFR 225.23(a)(2) or (f)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to acquire or control voting securities or assets of a company engaged in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than September 22, 1986.

A. Federal Reserve Bank of Chicago (Franklin D. Dreyer, Vice President) 230

South LaSalle Street, Chicago, Illinois 60690:

1. *Central Wisconsin Bancshares, Inc.*, Wausau, Wisconsin; to acquire First American Investment, Incorporated, Wausau, Wisconsin, and thereby engage in securities brokerage pursuant to § 225.25(b)(15) of the Board's Regulation Y. The activities will be conducted in the State of Wisconsin.

Board of Governors of the Federal Reserve System, August 25, 1986.

James McAfee,

Associate Secretary of the Board.

[FR Doc. 86-19558 Filed 8-28-86; 8:45 am]

BILLING CODE 6210-01-M

GENERAL SERVICES ADMINISTRATION

[Wildlife Order 161; 10-I-MT-582C]

Tract 18R, East Bench Unit, Dillon, Beaverhead County, MT; Conveyance of Property

Pursuant to section 2 of Pub. L. 537, 80th Congress, approved May 19, 1948 (16 U.S.C. 667c), notice is hereby given that:

1. By deed from the General Services Administration dated June 6, 1986, the property, consisting of 13 acres of unimproved land, known as Tract 18R, East Bench Unit, Dillon, Montana (10-I-MT-582C), has been transferred to the State of Montana, Montana Department of Fish, Wildlife and Parks.

2. The above described property was conveyed for wildlife conservation in accordance with the provisions of section 1 of said Pub. L. 80-537 (16 U.S.C. 667b), as amended by Pub. L. 92-432.

Dated: August 18, 1986.

Allan W. Beres,

Acting Commissioner, Federal Property Resources Service.

[FR Doc. 86-19622 Filed 8-28-86; 8:45 am]

BILLING CODE 6820-96-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of the Secretary

Agency Forms Submitted to the Office of Management and Budget for Clearance

Each Friday the Department of Health and Human Services (HHS) publishes a list of information collection packages it has submitted to the Office of Management and Budget (OMB) for clearance in compliance with the Paperwork Reduction Act (44 U.S.C. Chapter 35). The following are those packages submitted to OMB since the last list was published on August 22, 1986.

Public Health Service

(Call Reports Clearance Officer on 202-245-2100 for copies of packages.)

Office of the Assistant Secretary for Health

Subject: AIDS Vaccine Development: Private Sector/Government Collaborative Efforts—NEW—

Respondents: Businesses or other for-profit; Non-profit institutions

OMB Desk Officer: Bruce Artim

Health Care Financing Administration

(Call Reports Clearance Officer on 301-594-8650 for copies of package.)

Subject: Information Collection Requirements in 42 CFR Part 405.1716, .1720, .1721 and .1725—Conditions of Participation for Outpatient Clinics—Reinstatement—(0938-0336) HCFA-R-44

Respondents: Businesses or other for-profit; Small businesses or organizations

OMB Desk Officer: Fay S. Iudicello

Office of the Secretary

(Call Reports Clearance Officer on 202-245-6511 for copies of package.)

Office of the Inspector General

Subject: Program Inspection on Medicaid Estate Recovery—NEW—

Respondents: State or local governments

OMB Desk Officer: Fay S. Iudicello

Office of Human Development Services

(Call Reports Clearance Officer on 202-472-4415 for copies of package.)

Subject: Program Performance Report—Revision—(0980-0172)

Respondents: State or local governments

OMB Desk Officer: Fay S. Iudicello

Copies of the above information collection clearance packages can be obtained by calling the Reports Clearance Officer on the numbers shown above.

Written comments and recommendations for the proposed information collections should be sent directly to the appropriate OMB Desk Officer designated above at the following address:

OMB Reports Management Branch, New Executive Office Building, Room 3208, Washington, DC 20503, ATTN: (name of OMB Desk Officer).

Date: August 26, 1986.

Wallace O. Keene,

Acting Deputy Assistant Secretary for Management Analysis and Systems.

[FR Doc. 86-19587 Filed 8-28-86; 8:45 am]

BILLING CODE 4150-04-M

Food and Drug Administration

Consumer Participation; Notice of Open Meeting

AGENCY: Food and Drug Administration.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing the following consumer exchange meeting:

Los Angeles District Office, chaired by George J. Gerstenberg, District Director. The topic to be discussed is Health Fraud.

DATE: Thursday, September 11, 1986, 9 a.m. to 12 m.

ADDRESS: Braille Institute, Whittier Rm., First Floor, 741 North Vermont Ave., Los Angeles, CA 90029.

FOR FURTHER INFORMATION CONTACT: Gordon L. Scott, Consumer Affairs Officer, Food and Drug Administration, 1521 West Pico Blvd., Los Angeles, CA 90015, 213-252-7597.

SUPPLEMENTARY INFORMATION: The purpose of this meeting is to encourage dialogue between consumers and FDA officials, to identify and set priorities for current and future health concerns, to enhance relationships between local consumers and FDA's District Offices, and to contribute to the agency's policymaking decisions on vital issues.

Dated: August 22, 1986.

John M. Taylor,

Acting Associate Commissioner for Regulatory Affairs.

[FR Doc. 86-19562 Filed 8-28-86; 8:45 am]

BILLING CODE 4160-01-M

Health Professional Organizations' Participation; Open Meeting

AGENCY: Food and Drug Administration.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing a forthcoming meeting of health professional organizations to be chaired by Frank E. Young, Commissioner of Food and Drugs. The agenda will include discussions on National Prescription Awareness Month, tampering, update on food safety, Chernobyl followup, health fraud, and FDA's Action Plan: update and phase II.

DATE: The meeting will be held on September 15, 1986, from 1:30 p.m. to 3:30 p.m.

ADDRESS: The meeting will be held in Conference Rm. 703A, Hubert H. Humphrey Bldg., 200 Independence Ave. SW., Washington, DC 20201.

FOR FURTHER INFORMATION CONTACT: Robert Veiga, Office of Health Affairs (HFY–40), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301–443–5470.

Dated: August 22, 1986.

John M. Taylor,

Acting Associate Commissioner for Regulatory Affairs.

[FR Doc. 86–19563 Filed 8–28–86; 8:45 am]

BILLING CODE 4160–01–M

Health Care Financing Administration

[BDM–038–N]

Changes to the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD–9–CM)

AGENCY: Health Care Financing Administration (HCFA), HHS.

ACTION: Notice.

SUMMARY: This notice sets forth coding changes to the ICD–9–CM approved prior to July 1, 1986, by the ICD–9–CM Coordination and Maintenance Committee and the heads of HCFA and the National Center for Health Statistics (NCHS). It also announces the availability through the Government Printing Office of the approved codes as well as other approved material to be included in ICD–9–CM as follows: (1) New instructional material for the tabular list of diseases (Volume 1) and procedures (Volume 3) in the form of includes and excludes notes; (2) Additions to the indexes (Volumes 2 and 3) to provide help in locating and achieving proper usage of the codes; and (3) Errata for Volumes 1 through 3.

FOR FURTHER INFORMATION CONTACT:

Sue Meads RRA, PHS (Diagnosis codes) (301) 436–7019

Patricia Brooks RRA, HCFA (Procedure codes) (301) 597–0603

Janis Niessing, HCFA (Administrative Matters) (301) 594–8945

SUPPLEMENTARY INFORMATION:

I. Background

A. International Classification of Diseases.

1. General.

The International Classification of Diseases, Ninth Revision (ICD–9) is a classification system developed by the World Health Organization for recording morbidity and mortality information for statistical purposes, for indexing hospital records by diseases, and for data storage and retrieval purposes. The International Classification of Diseases, Ninth Revision, Clinical Modification (ICD–9–CM) is a system for reporting diagnostic information and procedures performed in hospitals and primary care settings.

The clinical modification to ICD–9, that is, ICD–9–CM, was developed under the guidance of the National Center for Health Statistics (NCHS) to adapt the ICD–9 classification system to the needs of hospitals in North America. The modifications were intended to provide a mechanism to present a clinical picture of the patient. Thus, ICD–9–CM codes are more precise than those included in ICD–9 since greater precision is needed to describe the clinical picture of a patient than for statistical groupings and trend analysis. ICD–9–CM is published as a three-volume set:

Volume 1—Diseases: Tabular List
Volume 2—Diseases: Alphabetic Index
Volume 3—Procedures: Tabular List and Alphabetic Index

The three-volume set can be purchased from the Government Printing Office at a cost of $29.00 in paper, and $40.00 in hardback.

2. Development of and Responsibility for ICD–9–CM.

Effective January 1979, after nearly two years of development by numerous national experts on clinical and technical matters, the ICD–9–CM became the single classification system intended for use by hospitals in the United States. This system replaced several earlier related but somewhat dissimilar classification systems. Once the ICD–9–CM classification system was in place, several errors and omissions were noted. Consequently, in September 1980 a second edition of ICD–9–CM was published. The preface to the second edition noted that the continuous maintenance of ICD–9–CM is the responsibility of the Federal government. The preface also stated that no future modifications to the system would be considered without the Federal government considering the opinions of representatives of major users of the classification system.

3. ICD–9–CM Coordination and Maintenance Committee.

In September 1985, the ICD–9–CM Coordination and Maintenance Committee was formed. This is a Federal inter-departmental committee charged with the mission of maintaining and updating the ICD–9–CM. This would include approving new coding changes, developing errata, addenda, and other modifications to the ICD–9–CM to reflect newly developed procedures and technologies and newly identified diseases. The Committee is also responsible for promoting the use of Federal and non-Federal educational programs and other communication techniques with a view toward standardizing coding applications and upgrading the quality of the classification system.

The Committee encourages participation in the above process by major health-related organizations. In this regard the Committee holds public meetings for discussion on educational issues and proposed coding changes. These meetings provide an opportunity for input into coding matters from representatives from recognized organizations in the coding field, such as the American Medical Record Association, the American Hospital Association, and the Commission on Professional and Hospital Activities, as well as physicians, medical record administrators, and other members of the public. Considering the opinions expressed at the public meeting, the Committee formulates recommendations, which then must be approved by the co-chair agency heads (that is, the Administrator of HCFA and the Director of NCHS) before adoption for general use.

II. Changes to The ICD–9–CM

A. General.

This notice sets forth coding changes to the ICD–9–CM that were approved prior to July 1, 1986 by the ICD–9–CM Coordination and Maintenance Committee and the heads of HCFA and NCHS. (See section B. following for a listing of these codes.) It also announces the availability through the Government Printing Office (See section E. below for specific information regarding availability) of the approved codes as well as other approved material to be included in ICD–9–CM as follows: (1) New instructional material for the tabular list of diseases (Volume 1) and procedures (Volume 3) in the form of includes and excludes notes; (2) Additions to the indexes (Volumes 2 and 3) to provide help in locating and achieving proper usage of the codes; and (3) Errata for Volumes 1 through 3.

B. Coding Changes.

The following new ICD–9–CM codes have been approved for use.

New Diagnoses Codes

Human T-Lymphotropic Virus-III/ Lymphadenopathy Associated Virus (HTLV–III/LAV) Infections (042–044)

042 HTLV–III/LAV infection with specified conditions
042.0 HTLV–III/LAV infection with specified infections
042.1 HTLV–III/LAV infection causing other specified infections
042.2 HTLV–III/LAV infection with specified malignant neoplasms
042.9 Acquired immunodeficiency syndrome with or without other conditions

043 HTLV–III/LAV infection causing other specified conditions
043.0 HTLV–III/LAV infection causing lymphadenopathy
043.1 HTLV–III/LAV infection causing specified disease of the central nervous system
043.2 HTLV–III/LAV infection causing other disorders involving the immune mechanism
043.9 Acquired immunodeficiency syndrome-related complex with or without other conditions

044 Other HTLV–III/LAV infection
044.0 HTLV–III/LAV with specified acute infections
044.9 HTLV–III/LAV not otherwise specified

795.8 Positive Serological or Viral Culture findings for Human T-Lymphotropic Virus-III/ Lymphadenopathy Associated Virus (HTLV–III/LAV)

New/Modified Procedure Codes

Cochlear Prosthetic Device Implant

20.96 Implantation of cochlear prosthetic device, not otherwise specified
20.97 Implantation or replacement of cochlear prosthetic device, single channel
20.98 Implantation or replacement of cochlear prosthetic device, multiple channel

Percutaneous (Balloon) Valvuloplasty

35.96 Percutaneous valvuloplasty

Percutaneous Transluminal Coronary Angioplasty (PTCA)

36.00 Removal of coronary artery obstruction, not otherwise specified
36.01 Percutaneous transluminal coronary angioplasty (PTCA) without mention of thrombolytic agent
36.02 Percutaneous transluminal coronary angioplasty (PTCA) with thrombolytic agent
36.03 Open chest coronary artery angioplasty
36.04 Intracoronary artery thrombolytic infusion
36.09 Other specified removal of coronary artery obstruction

Cardioverter/Defibrillator

37.94 Implantation or replacement of automatic cardioverter/ defibrillator, total system (AICD)
37.95 Implantation of automatic cardioverter/defibrillator lead(s) only
37.96 Implantation of automatic cardioverter/defibrillator pulse generator only
37.97 Replacement of automatic cardioverter/defibrillator lead(s) only
37.98 Replacement of automatic cardioverter/defibrillator pulse generator only

Thoracoabdominal Aortic Aneurysm Repair

38.4 Resection of vessel with replacement
(NOTE: removal of section mark (§) allows this code to use the following unique 4th digit subclassification)
0 unspecified site
1 intracranial vessels
2 other vessels of head and neck
3 upper limb vessels
4 aorta, abdominal
5 thoracic vessels Aorta
6 abdominal arteries
Excludes: abdominal aorta (4)
7 abdominal veins
8 lower limb arteries
9 lower limb veins

Percutaneous Angioscopy

38.22 Percutaneous angioscopy

Gastric Endoscopic Balloon Procedures

44.21 Dilation of pylorus by incision
44.22 Endoscopic dilation of pylorus
44.29 Other pyloroplasty
44.93 Insertion of gastric bubble (balloon)
44.94 Removal of gastric bubble (balloon)

Other Procedures on Biliary Tract

51.97 Therapeutic endoscopic procedures on biliary tract, oral route
51.98 Other percutaneous procedures on biliary tract

Percutaneous nephrostomy

55.03 Percutaneous nephrostomy without fragmentation
55.04 Percutaneous nephrostomy with fragmentation

Artificial Urinary Sphincter Implant (AUS)

58.93 Implantation of artificial urinary sphincter (AUS)

Extracorporeal Shockwave Lithotripsy (ESWL)

59.96 Extracorporeal shockwave lithotripsy (ESWL)

Penile Prostheses Inflatable and Non-Inflatable

64.95 Insertion or replacement of *non-inflatable* prosthesis of penis
64.97 Insertion or replacement of inflatable prosthesis of penis

Chemonucleolysis

80.50 Excision or destruction of intervertebral disc, unspecified
80.51 Excision of intervertebral disc
80.52 Intervertebral Chemonucleolysis
80.59 Other destruction of intervertebral disc

Debridement of Nail

86.27 Debridement of nail, nail bed, or nail fold

Magnetic Resonance Imaging (MRI)

88.90 Diagnostic imaging, not elsewhere classified
88.91 Magnetic resonance imaging of brain and brain stem
88.92 Magnetic resonance imaging of chest and myocardium
88.93 Magnetic resonance imaging of spinal canal
88.94 Magnetic resonance imaging of musculoskeletal
88.95 Magnetic resonance imaging of pelvis, prostate, and bladder
88.99 Magnetic resonance imaging of other and unspecified sites

Parenteral And Enteral Nutrition

96.6 External infusion of concentrated nutritional substances
99.15 Parenteral infusion of concentrated nutritional substances

C. Coding Changes and the Medicare Prospective Payment System (PPS).

Medicare's prospective payment system is based on diagnosis related groups (DRGs) which, in turn, are based on ICD–9–CM diagnostic and procedural codes as well as several other factors.

On June 3, 1986, a brief portion of the list of new codes contained in this notice was included in the Final Notice of Changes to the DRG Classification System (51 FR 20192). The material set forth in this notice expands upon the information previously published and sets forth other changes arising from the January and May meetings of the ICD–

9–CM Coordination and Maintenance Committee meetings.

D. Effective Dates.

1. PPS.

The adoption of the ICD–9–CM codes set forth in this notice are effective for Medicare discharges occurring on or after October 1, 1986. As indicated in the June 3 final notice about Changes to the DRG Classification System, these codes are not expected to make changes in classification of cases in the DRG classification system.

[C]oding changes adopted by the committee prior to July 1, 1986 would be included in the Medicare GROUPER program for Federal fiscal year 1987 (October 1986 through September 1987), but would not necessarily result in changes to the classification of cases using the new codes. . . . Because use of most of the new ICD–9–CM codes would not result in DRG classification changes initially, the new codes would not be published for public comment. Of course, should reclassification become necessary, . . . we would follow the procedures set forth at § 412.10 of the regulations.

2. All ICD–9–CM Users.

To promote consistency among all users reporting ICD–9–CM data, we encourage the use of the new codes set forth above effective for hospital discharges occurring on or after October 1, 1986.

E. Copies of Changes.

As stated in section II. A. of this notice, copies of all the changes announced in this notice are available through the Government Printing Office (GPO). Copies can be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. A GPO stock number is not yet available at the GPO.

Dated: August 18, 1986.

William L. Roper,

Administrator, Health Care Financing Administration.

[FR Doc. 86–19586 Filed 8–28–86; 8:45 am]

BILLING CODE 4120–03–M

National Institutes of Health

Developmental Therapeutics Contracts Review Committee; Open Meeting

Pursuant to Pub. L. 92–463, notice is hereby given of the meeting of the Developmental Therapeutics Contracts Review Committee, National Cancer Institute, National Institutes of Health, September 5, 1986, Holiday Inn Crowne Plaza, Bethesda, Maryland 20852.

This meeting will be open to the public on September 5, from 8:00 a.m. to 9:30 a.m., to review administrative details. Attendance by the public will be limited to space available.

In accordance with provisions set forth in sections 552b(c)(4) and 552b(c)(6), Title 5, U.S. Code and section 10(d) of Pub. L. 92–463, the meeting will be closed to the public on September 5, from approximately 9:30 a.m. until adjournment for the review, discussion and evaluation of contract proposals. These proposals and the discussions could reveal confidential trade secrets or commerical property such as patentable material and personal information concerning individuals associated with the proposals, disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

Mrs. Winifred Lumsden, the Committee Management Officer, National Cancer Institute, Building 31, Room 10A06, National Institutes of Health, Bethesda, Maryland 20892 (301/496–5708) will provide summaries of the meeting and rosters of committee members, upon request.

Dr. Kendall G. Powers, Executive Secretary, Developmental Therapeutics Contracts Review Committee, National Cancer Institute, Westwood Building, Room 805, National Institutes of Health, Bethesda, Maryland 20892 (301/496–7030) will furnish substantive program information.

This notice is being published less than 15 days prior to the meeting date because of conflicting schedules.

Dated: August 25, 1986.

Betty J. Beveridge,

Committee Management Officer, NIH.

[FR Doc. 86–19769 Filed 8–28–86; 10:00 am]

BILLING CODE 4140–01–M

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

Availability of Final Environmental Impact Statement for Clear Lake Resource Area, CA

[FES 86–23]

AGENCY: Bureau of Land Management, Department of the Interior.

ACTION: Notice of Availability of final Environmental Impact Statement (EIS) for the Clear Lake Resource Area wilderness proposals.

SUMMARY: This EIS assesses the environmental consequences of managing two wilderness study areas (WSAs) located in northwestern California as wilderness or nonwilderness. The alternatives assessed in this EIS include: (1) A "no wilderness/no action" alternative for each WSA, (2) an "all wilderness" alternative for each WSA, and (3) a "partial wilderness" alternatives for the Rocky Creek—Cache Creek WSA.

The names of the two WSAs analyzed in the EIS, their total acreage, and the proposed action for each are as follows:

Cedar Roughs—5,597 acres; 0 acres suitable, 5,597 acres nonsuitable.

Rocky Creek—Cache Creek—33,582 acres; 0 acres suitable, 33,582 acres nonsuitable.

The Bureau of Land Management wilderness proposals will ultimately be forwarded by the Secretary of the Interior to the President and from the President to Congress. The final decision on wilderness designation rests with Congress.

In any case, no final decision on these proposals can be made by the Secretary during the 30 days following the filing of this EIS. This complies with the Council on Environmental Quality Regulations, 40 CFR 1506.10b(2).

SUPPLEMENTARY INFORMATION: A limited number of individual copies of the EIS may be obtained from the Area Manager, Clear Lake Resource Area, 555 Leslie Street, Ukiah, CA 95482. Copies are also available for inspection at the following locations.

Department of the Interior
Bureau of Land Management
18th and "C" Streets, NW.
Washington, DC 20420

or

Bureau of Land Management
California State Office
2800 Cottage Way, Room 2841
Sacramento, California 95825

or

Bureau of Land Management
Ukiah District Office
555 Leslie Street
Ukiah, California 95482

FOR FURTHER INFORMATION CONTACT: Gretchen Smyth, Area Manager, Clear Lake Resource Area, 555 Leslie Street, Ukiah, California 95482, Telephone (707) 462–3873.

Dated: August 21, 1986.

Bruce Blanchard,

Director, Office of Environmental Project Review.

[FR Doc. 86–19592 Filed 8–28–86; 8:45 am]

BILLING CODE 4310–40–M

[CO-050-4212-20; C-26982, C-38675]

Realty Action; Color-of-Title sales of public land in Clear Creek and Bent County, Colorado.

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of Realty Actions C-26982, sale of public land to Mr. and Mrs. William E. Sanders; C-38675, sale of public land to Manifor Ranch, Inc.

SUMMARY: The following described lands have been examined and found to be suitable for sale under Color-of-Title, Act of December 22, 1928 (45 Stat. 1069) as amended, at no less than the appraised sale prices listed below:

6th Principal Meridian, Colorado

T.4S., R.74W., Section 18, Lot 7; 0.35 acres; $5000

T.23S., R.53W., Section 10, Lot 2; 24.5 acres; $815

These parcels have been held under claim or color of title and have been found to meet the sale requirements under either Class 1 or Class 2 of the Color-of-Title Act.

DATES: Comment period ends 45 days from publication.

FOR FURTHER INFORMATION: Contact the District Manager, Canon City District Office, 3080 East Main Street, PO Box 311, Canon City, Colorado 81212. Any comments will be evaluated by the District Manager. In the absence of any action by the District Manager, this realty action will become the final determination of the Department of the Interior.

Donnie R. Sparks,

District Manager.

[FR Doc. 86-19578 Filed 8-28-86; 8:45 am]

BILLING CODE 4310-JB-M

[NV-060-06-4212-14; N-41597]

Realty Action; Noncompetitive Sale of Federal Lands in Esmeralda County, NV

AGENCY: Department of the Interior, Bureau of Land Management.

ACTION: Realty Action; Noncompetitive Sale of Federal Lands in Esmeralda County, NV.

SUMMARY: The following described Federal lands have been examined and found suitable for direct sale under section 203 of the Federal Land Policy and Management Act of 1976 at not less than the appraised fair market value.

Mount Diablo Meridian, Nevada

T. 4 S., R. 36 E.,

Section 4, NE1/4SE1/4.

A parcel of land containing 40 acres.

The lands will be offered for sale, without competition to William S. Wright, the adjacent landowner, who plans to use them for agricultural purposes. Conveyance of available mineral interest will incur simultaneously with the sale of the lands. Acceptance of the direct sale offer will constitute an application for conveyance of those mineral interests. Mr. Wright will be required to pay a $50.00 nonreturnable filing fee for conveyance of available mineral interests. Failure to submit purchase money and the aforementioned $50.00 nonreturnable filing fee within the time frame specified by the Authorized Officer result in cancellation of the sale.

The sale is consistent with the Bureau's planning system. The lands are not needed for any resource program. No conflicts with state or local plans are present. The grazing lessee has waived his rights to the two-year notification prescribed in section 402(S) of the Federal Land Policy and Management Act of 1976.

Minimum bid for this parcel will be fair market value which will be determined by an appraisal and which will be made available prior to the sale. Under no circumstances will this parcel be sold sooner than 60 days after publication of this notice.

The patent, when issued, will contain the following reservations tot he United States:

1. A right-of-way thereon for ditches and canals constructed by the authority of the United States, pursuant to the Act of August 30, 1890 (26 Stat. 391; 43 U.S.C. 945).

2. All oil and gas, sodium, and potassium mineral deposits. A more detailed description of this reservation, which will be incorporated in the patent document, is available for review at the Battle Mountain District Office.

Segregration: Upon publication of this Notice in the **Federal Register** the above-described Federal lands will be segregrated from all forms of appropriation under the public land laws, including locations under the mining laws, except as to application under the mineral leasing laws.

Comments: For a period of 45 days from the date of publication of this Notice in the **Federal Register**, interested parties may submit comments to the District Manager, Bureau of Land Management, P.O. Box 1420, Battle Mountain, NV 89820. Objections will be reviewed by the State Director who may sustain, vacate, or modify this realty action. In the absence of any objections, this realty action will become the final determination of the Department of the Interior.

Dated: August 20, 1986.

Thomas H. Jury,

Acting District Manager.

[FR Doc. 86-19623 Filed 8-28-86; 8:45 am]

BILLING CODE 4310-HC-M

Fish and Wildlife Service

Oklahoma City Zoo, et al. Receipt of Applications for Endangered Species Permits

The following applicants have applied for permits to conduct certain activities with endangered species. This notice is provided pursuant to Section 10(c) of the Endangered Species Act of 1973, as amended (16 U.S.C. 1531, *et seq.*):

Applicant: Oklahoma City Zoo, Oklahoma City, OK; PRT-708866.

The applicant requests a permit to import two pairs of captive born Darwin's rheas (*Pterocnemia p. pennata*) from Mr. Michel Durand Quesnel of Santiago, Chile, for purposes of captive breeding and zoological display.

Applicant: Chicago Zoological Society, Brookfield, IL; PRT-710779.

The applicant requests a permit to import one male Siberian tiger (*Panthera tigris altaica*) from the Assiniboine Park Zoo, Manitoba, Canada, for the enhancement of captive breeding by increasing the genetic diversity of their tiger population.

Applicant: William B. Rhoten, Newark, NJ; PRT-710506.

The applicant requests a permit to import one Nile crocodile (*Crocodylus niloticus*) from Mr. P. Arnold, Cango Crocodile Ranch, Oudtshoorn, Republic of South Africa, for the purpose of scientific research. The specimen will be used in research of hormonal secretions of the pancreas and calcium-binding proteins of kidney nephrons. The animal will be sacrificed during the investigation and preserved for future research projects.

Applicant: New York Zoological Society, Bronx, NY; PRT-711084.

The applicant requests a permit to import two captive born White-Naped cranes (*Grus vipio*) from Whipsnade Park, Great Britain for the purposes of breeding and exhibition.

Applicant: Cheyenne Mountain Zoological Park, Colorado Springs, CO; PRT-711321.

The applicant requests a permit to export one male lion-tailed macaque, to Zoo Negara in Malaysia, for the purpose of breeding and exhibition.

Documents and other information submitted with these applications are available to the public during normal

business hours (7:45 am to 4:15 pm) Room 611, 1000 North Glebe Road, Arlington, Virginia 22201, or by writing to the Director, U.S. Fish and Wildlife Service of the above address.

Interested persons may comment on any of these applications within 30 days of the date of this publication by submitting written views, arguments, or data to the Director at the above address. Please refer to the appropriate PRT number when submitting comments.

R.K. Robinson,

Chief, Branch of Permits, Federal Wildlife Permit Office.

[FR Doc. 86-19585 Filed 8-28-86; 8:45 am]

BILLING CODE 4310-55-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-183]

Certain Indomethacin; Receipt of Initial Determination Terminating Respondents on the Basis of Consent Order Agreement

AGENCY: U.S. International Trade Commission.

ACTION: Notice is hereby given that the Commission has received an initial determination from the presiding officer in the above-captioned investigation terminating the following respondents on the basis of a consent order agreement: Mylan, FIS, SST, PAR, Chelsea, Rugby and Zenith.

SUPPLEMENTARY INFORMATION: This investigation is being conducted pursuant to section 337 of the Tariff Act of 1930 (19 U.S.C. 1337). Under the Commission's rules, the presiding officer's initial determination will become the determination of the Commission thirty (30) days after the date of its service upon the parties, unless the Commission orders review of the initial determination. The initial determination in this matter was served upon the parties on August 14, 1986.

Copies of the initial determination, the consent order agreement, and all other nonconfidential documents filed in connection with this investigation are available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, DC 20436, telephone 202-523-0161. Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-724-0002.

Written Comments: Interested persons may file written comments with the Commission concerning termination of the aforementioned respondents. The original and 14 copies of all such comments must be filed with the Secretary to the Commission, 701 E Street NW., Washington, DC 20436, no later than 10 days after publication of this notice in the **Federal Register.** Any person desiring to submit a document (or portion thereof) to the Commission in confidence must request confidential treatment. Such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why confidential treatment should be granted. The Commission will either accept the submission in confidence or return it.

FOR FURTHER INFORMATION CONTACT: Ruby J. Dionne, Office of the Secretary, U.S. International Trade Commission, telephone 202-523-0176.

By order of the Commission.

Issued: August 27, 1986.

Kenneth R. Mason,

Secretary.

[FR Doc. 86-19733 Filed 8-28-86; 8:45 am]

BILLING CODE 7020-02-M

INTERSTATE COMMERCE COMMISSION

[Docket No. AB-19 (Sub-No. 118X)]

The Baltimore and Ohio Railroad Co. Abandonment in Fayette County, PA; Exemption

AGENCY: Interstate Commerce Commission.

ACTION: Notice of exemption.

SUMMARY: The Interstate Commerce Commission exempts from the prior approval requirements of 49 U.S.C. 10903, *et seq.*, the abandonment by The Baltimore and Ohio Railroad Company of its Redstone Branch, consisting of approximately 1.20 miles of track near Uniontown, Fayette County, PA, subject to standard labor protective conditions.

DATES: This exemption will be effective on September 29, 1986. Petitions to stay must be filed by September 8, 1986. Petitions for reconsideration must be filed by September 18, 1986.

ADDRESSES: Send pleadings referring to Docket No. AB-19 (Sub-No. 118X) to:

(1) Office of the Secretary, Case Control Branch, Interstate Commerce Commission, Washington, DC 20423;

(2) Petitioner's representative: Lawrence H. Richmond, 100 North Charles Street, Baltimore, MD 21201.

FOR FURTHER INFORMATION CONTACT: Donald J. Shaw, Jr. (202) 275-7245.

SUPPLEMENTARY INFORMATION: Additional information is contained in the Commission's decision. To purchase a copy of the full decision write to: T.S. InfoSystems, Inc., Room 2229, Interstate Commerce Commission Building, Washington, DC 20423, or call 289-4357 (DC Metropolitan area) or toll-free (800) 424-5403.

Decided: August 21, 1986.

By the Commission, Chairman Gradison, Vice Chairman Simmons, Commissioners Sterrett, Andre, and Lamboley.

Noreta R. McGee,

Secretary.

[FR Doc. 86-19581 Filed 8-28-86; 8:45 am]

BILLING CODE 7035-01-M

[Docket No. AB-19 (Sub-No. 120X)]

The Baltimore and Ohio Railroad Co. Abandonment in Midvale, Tuscarawas County, OH; Exemption

AGENCY: Interstate Commerce Commission.

ACTION: Notice of exemption.

SUMMARY: The Interstate Commerce Commission exempts from the requirements of prior approval under 49 U.S.C. 10903, *et seq.*, the abandonment by The Baltimore and Ohio Railroad Company of 0.21 miles of track in Midvale, Tuscarawas County, OH, subject to standard labor protective conditions.

DATES: This exemption will be effective on September 29, 1986. Petitions to stay must be filed September 8, 1986, and petitions for reconsideration must be filed by September 18, 1986.

ADDRESSES: Send pleadings referring to Docket No. AB-19 (Sub-No. 120X) to:

(1) Office of the Secretary, Case Control Branch, Interstate Commerce Commission, Washington, DC 20423;

(2) Petitioner's representative: Lawrence H. Richmond, 100 North Charles Street, Baltimore, MD 21201.

FOR FURTHER INFORMATION CONTACT: Donald Shaw, Jr. (202) 275-7245.

SUPPLEMENTARY INFORMATION: Additional information is contained in the Commission's decision. To purchase a copy of the full decision, write to T.S. InfoSystems, Inc., Room 2229, Interstate Commerce Commission Building, Washington, DC 20423, or call 289-4357 (DC Metropolitan area) or toll free (800) 424-5403.

Decided: August 21, 1986.

By the Commission, Chairman Gradison, Vice Chairman Simmons, Commissioners Sterrett, Andre, and Lamboley.

Noreta R. McGee,

Secretary.

[FR Doc. 86-19582 Filed 8-28-86; 8:45 am]

BILLING CODE 7035-01-M

[Docket No. AB-43 (Sub-Nos. 144X and 145X]

Illinois Central Gulf Railroad Co. Abandonment in Champaign, Macon, De Witt, and Piatt Counties, IL; Exemption

AGENCY: Interstate Commerce Commission.

ACTION: Notice of exemptions.

SUMMARY: The Commission exempts from prior approval under 49 U.S.C. 10903, *et seq.*, the abandonment by Illinois Central Gulf Railroad Company in Docket No. AB-43 (Sub-No. 144X) of 4 miles of line, in Champaign and Piatt Counties, IL, and in Docket No. AB-43 (Sub-No. 145X) of 6.3 miles of line, in Macon and De Witt Counties, IL, subject to standard labor protective conditions.

DATES: This exemption is effective September 29, 1986. Petitions to stay must be filed by September 8, 1986, and petitions for reconsideration must be filed by September 18, 1986.

ADDRESSES: Send pleadings referring either to Docket No. AB-43 (Sub-No. 144X) or Docket No. AB-43 (Sub-No. 145X) as pertinent to:

(1) Office of the Secretary, Case Control Branch, Interstate Commerce Commission, Washington, DC 20423;

(2) Petitioner's representative: Howard D. Koontz, 233 N. Michigan Ave, 26th Floor, Chicago, IL 60601.

FOR FURTHER INFORMATION CONTACT: Donald J. Shaw, Jr. (202) 275-7245.

SUPPLEMENTARY INFORMATION: Additional information is contained in the Commission's decision. To purchase a copy of the full decision, write to T.S. InfoSystems, Inc., Room 2229, Interstate Commerce Commission Building, Washington, DC 20423 or call 289-4357 (DC Metropolitan Area) or toll free (800) 424-5403.

Decided: August 21, 1986.

By the Commission, Chairman Gradison, Vice Chairman Simmons, Commissioners Sterrett, Andre, and Lamboley.

Noreta R. McGee,

Secretary.

[FR Doc. 86-19583 Filed 8-28-86; 8:45 am]

BILLING CODE 7035-01-M

DEPARTMENT OF LABOR

Task Force on Economic Adjustment and Worker Dislocation; Meeting

Notice is hereby given that the Task Force on Economic Adjustment and Worker Dislocation will hold its fourth meeting at 10:00 a.m. on Wednesday, September 17, 1986, in Room C-5515—Seminar Room 6, 200 Constitution Avenue, NW, Washington, DC 20210. The public is invited to attend.

The purpose of the meeting is to discuss and ratify subcommittee progress.

FOR FURTHER INFORMATION CONTACT: Mr. Gerald Holmes, U.S. Department of Labor, Room S-5014, Washington, D.C. 20210, (202) 523-7571.

Signed at Washington, DC, this Tuesday of August 26, 1986.

Michael E. Baroody,

Assistant Secretary for Policy.

[FR Doc. 86-19650 Filed 8-28-86; 8:45 am]

BILLING CODE 4510-23-M

DEPARTMENT OF LABOR

Employment Standards Administration, Wage and Hour Division

Minimum Wages for Federal and Federally Assisted Construction; General Wage Determination; Decisions

General wage determination decisions of the Secretary of Labor are issued in accordance with applicable law and are based on the information obtained by the Department of Labor from its study of local wage conditions and data made available from other sources. They specify the basic hourly wage rates and fringe benefits which are determined to be prevailing for the described classes of laborers and mechanics employed on construction projects of a similar character and in the localities specified therein.

The determinations in these decisions of prevailing rates and fringe benefits have been made in accordance with 29 CFR Part 1, by authority of the Secretary of Labor pursuant to the provisions of the Davis-Bacon Act of March 3, 1931, as amended (46 Stat. 1494, as amended, 40 U.S.C. 276a) and of other Federal statutes referred to in 29 CFR Part 1, Appendix, as well as such additional statutes as may from time to time be enacted containing provisions for the payment of wages determined to be prevailing by the Secretary of Labor in accordance with the Davis-Bacon Act. The prevailing rates and fringe benefits determined in these decisions shall, in accordance with the provisions of the foregoing statutes, constitute the minimum wages payable on Federal and federally assisted construction projects to laborers and mechanics of the specified classes engaged on contract work of the character and in the localities described therein.

Good cause is hereby found for not utilizing notice and public procedure thereon prior to the issuance of these determinations as prescribed in 5 U.S.C. 553 and not providing for delay in the effective date as prescribed in that section, because the necessity to issue current construction industry wage determinations frequently and in large volume causes procedures to be impractical and contrary to the public interest.

General wage determination decisions, and modifications and supersedeas decisions thereto, contain no expiration dates and are effective from their date of notice in the **Federal Register**, or on the date written notice is received by the agency, whichever is earlier. These decisions are to be used in accordance with the provisions of 29 CFR Parts 1 and 5. Accordingly, the applicable decision, together with any modifications issued, must be made a part of every contract for performance of the described work within the geographic area indicated as required by an applicable Federal prevailing wage law and 29 CFR Part 5. The wage rates and fringe benefits, notice of which is published herein, and which are contained in the Government Printing Office (GPO) document entitled "General Wage Determinations Issued Under The Davis-Bacon And Related Acts," shall be the minimum paid by contractors and subcontractors to laborers and mechanics.

Any person, organization, or governmental agency having an interest in the rates determined as prevailing is encouraged to submit wage rate and fringe benefit information for consideration by the Department. Further information and self-explanatory forms for the purpose of submitting this data may be obtained by writing to the U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division, Division of Wage Determinations, 200 Constitution Avenue, NW., Room S-3504, Washington, DC 20210.

Modifications to General Wage Determination Decisions

The numbers of the decisions listed in the Government Printing Office document entitled "General Wage

Determinations Issued Under the Davis-Bacon and Related Acts" being modified are listed by Volume, State, and page number(s). Dates of publication in the **Federal Register** are in parentheses following the decisions being modified.

	Decisions	Pages
Volume I:		
District of Columbia	DC86-1 (Jan. 3, 1986)	80, 82
Maryland	MD86-2 (Jan. 3, 1986)	390-391
Maryland	MD86-15 (Jan. 3, 1986)	420
New York	NY86-3 (Jan. 3, 1986)	661-663
New York	NY86-5 (Jan. 3, 1986)	677-679
Pennsylvania	PA86-15 (Jan. 3, 1986)	901
Virginia	VA86-14 (Jan. 3, 1986)	1086
Volume II:		
Kansas	KS86-8 (Jan. 3, 1986)	337-340
Louisiana	LA86-5 (Jan. 3, 1986)	365
Michigan	MI86-1 (Jan. 3, 1986)	384-385, 387
Michigan	MI86-2 (Jan. 3, 1986)	399-409, 409a-409b
Michigan	MI86-4 (Jan. 3, 1986)	425
Michigan	MI86-7 (Jan. 3, 1986)	445-461, 461a-461d
Michigan	MI86-17 (Jan. 3, 1986)	486
Missouri	MO86-1 (Jan. 3, 1986)	541
Oklahoma	OK86-13 (Jan. 3, 1986)	820
Oklahoma	OK86-14 (Jan. 3, 1986)	832
Volume III:		
Nevada	NV86-3 (Jan. 3, 1986)	241-243

General Wage Determination Publication

General wage determinations issued under the Davis-Bacon and related Acts, including those noted above, may be found in the Government Printing Office (GPO) document entitled "General Wage Determinations Issued Under The Davis-Bacon And Related Acts". This publication is available at each of the 80 Regional Government Depository Libraries and many of the 1,400 Government Depository Libraries across the country. Subscriptions may be purchased from:

Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, (202) 783-3238

When ordering subscription(s), be sure to specify the State(s) of interest, since subscriptions may be ordered for any or all of the three separate volumes, arranged by State. The subscription cost is $277 per volume. Subscriptions include an annual edition (issued on or about January 1) which includes all current general wage determinations for the States covered by each volume. Throughout the remainder of the year, regular weekly updates will be distributed to subscribers.

Signed at Washington, DC this 22nd day of August 1986.

James L. Valin,

Assistant Administrator.

[FR Doc. 86-19387 Filed 8-28-86; 8:45 am]

BILLING CODE 4510-27-M

LEGAL SERVICES CORPORATION

Announcement of One-Time Grant Award to the Multi-County Lawyer Referral Service

AGENCY: Legal Services Corporation.

ACTION: Announcement of intention to award a one-time grant.

SUMMARY: The Legal Services Corporation. (LSC) announces its intention to award a one-time, non-recurring grant of $19,650 to the Multi-County Lawyer Referral Service. This grant will be for a one-year term. It will be awarded pursuant to authority conferred by sections 1006(a)(1)(B) and 1006(A)(3) of the Legal Services Corporation Act of 1974, as amended, in response to an unsolicited proposal submitted by the Multi-County Lawyer Referral Service for promoting involvement of private attorneys in *pro bono* services to the poor in six rural counties in South Central Tennessee, including a public guardianship program for conservatorships. It will address those clients with special problems of access to legal services. The grant will not be subject to automatic refunding rights nor entitled to any rights, including hearing rights, under section 1011 of the LSC Act, as amended, or LSC regulations promulgated thereunder.

This public notice is issued pursuant to Section 1007(F) of the LSC Act. LSC requests that comments and recommendations be provided within a period of thirty (30) calendar days from date of publication of this notice. The grant award will not become effective and no grant funds will be distributed prior to expiration of this thirty (30) day period.

DATE: All comments and recommendations must be received by the Program Development and Substantive Support Division (PDSS) within the Office of Field Services (OFS) of the Legal Services Corporation within thirty (30) calendar days of publication of this notice.

FOR FURTHER INFORMATION CONTACT: Legal Services Corporation, Beverly Bunn, Speical Counsel, Program Development and Substantive Support Division, Office of Field Services, 400 Virginia Avenue, SW., Washington, DC 20024-2751, (202) 863-1837.

SUPPLEMENTARY INFORMATION: The project consists of an incorporated consortium of six rural county bar associations in South Central Tennessee, planning to expand into six more counties. It has a panel of volunteer attorneys, provides basic client intake and referral, coordination of bar associations within the consortium, education of the bar to organized *pro bono* service, poverty law educational assistance for individual private attorneys, and public and social service awareness of the program. A new focus will be establishment of a public guardianship program of conservatorships of indigents adjudged incompetent.

The establishment of panels of *pro bono* attorneys to supplement existing legal services organizations provides direct civil legal assistance to low-income individuals. These panels generally work cooperatively with local LSC-funded field programs.

Dated: August 27, 1986.

James H. Wentzel,

President, Legal Services Corporation.

[FR Doc. 86-19739 Filed 8-28-86; 8:45 am]

BILLING CODE 6820-35-M

Announcement of One-Time Grant Award to San Antonio Bar Association

AGENCY: Legal Services Corporation.

ACTION: Announcement of intention to award a one-time grant.

SUMMARY: The Legal Services Corporation (LSC) announces its intention to award a one-time, non-recurring grant of up to $30,000 to the San Antonio Bar Association (SABA). This grant will be for up to a nine (9) month period, as needed, to complete

the joint voucher project between the American Bar Association and LSC. The grant will be solely for administrative expenses; service delivery costs have already been given to SABA for the entirety of the voucher study. It will be awarded pursuant to authority conferred by sections 1006(a)(1)(B) and 1006(A)(3) of the Legal Services Corporation Act of 1974, as amended. The grant will not be subject to automatic refunding rights nor entitled to any rights, including hearing rights, under section 1011 of the LSC Act, as amended, or LSC regulations promulgated thereunder.

This public notice is issued pursuant to section 1007(F) of the LSC Act. LSC requests that comments and recommendations be provided within a period of thirty (30) calendar days from date of publication of this notice. The grant award will not become effective and no grant funds will be distributed prior to expiration of this thirty (30) day period.

DATE: All comments and recommendations must be received by the Program Development and Substantive Support Division (PDSS) within the Office of Field Services (OFS) of the Legal Services Corporation within thirty (30) calendar days of publication of this notice.

FOR FURTHER INFORMATION CONTACT: Legal Services Corporation, Keith Osterhage, Manager, Program Development and Substantive Support Division, Office of Field Services, 400 Virginia Avenue, S.W., Washington, D.C. 20024–2751, (202) 863–1837.

Dated: August 27, 1986.

James H. Wentzel,

President, Legal Services Corporation.

[FR Doc. 86–19740 Filed 8–28–86; 8:45 am]

BILLING CODE 6820–35–M

NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–456–OL, 50–457–OL, (ASLBP No. 79–410–03–OL)]

Commonwealth Edison Co. (Braidwood Station, Unit Nos. 1 and 2); Notice of Hearing Changes

Before Administrative Judges: Herbert Grossman, Chairman, Richard F. Cole, A. Dixon Callihan.

Please take notice that the evidentiary hearing in the matter of the Braidwood Station will reconvene in the Federal Building, in Courtroom #1919, 219 South Dearborn Street, Chicago, IL 60604, at 2:00 p.m. on August 25, 1986, and will continue from day to day until concluded.

The public is invited to attend all hearing sessions.

For The Atomic Safety And Licensing Board.

Herbert Grossman,

Chairman, Administrative Judge.

[FR Doc. 86–19626 Filed 8–28–86; 8:45 am]

BILLING CODE 7590–01–M

[Docket No. 50–213]

Connecticut Yankee Atomic Power Co., Haddam Neck Plant, Exemption

I.

The Connecticut Yankee Atomic Power Company (CYAPCO, the Licensee) is the holder of Operating License No. DPR–61 which authorizes operation of the Haddam Neck Plant. The license provides, among other things, that the Haddam Neck Plant is subject to all rules, regulations, and Orders of the Commission now or hereafter in effect.

The plant is a single-unit pressurized water reactor at the licensee's site located in Middlesex County, Connecticut.

II.

On November 19, 1980, the Commission published a revised § 50.48 and a new Appendix R to 10 CFR Part 50 regarding fire protection features of nuclear power plants. The revised § 50.48 and Appendix R became effective on February 17, 1981. Section III of Appendix R contains 15 subsections, lettered A through O, each of which specified requirements for a particular aspect of the fire protection features at a nuclear power plant. The licensee has submitted a request for exemption from the schedular requirements of 10 CFR 50.48(c) in accordance with the provisions of 10 CFR 50.12(a)(2)(v) for a temporary exemption. Such a temporary exemption requires a demonstration by the licensee that it has made good faith efforts to comply with the applicable regulatory requirements. Further, Generic Letter 86–10 contains four criteria used by the staff to evaluate whether a licensee has demonstrated a good faith effort to meet the requirements under 10 CFR 50.48.

These criteria are:

(1) The utility has, since the promulgation of Appendix R on 1980, proceeded expeditiously to meet the Commission's requirements.

(2) The delay was caused by circumstances beyond the utility's control.

(3) The proposed schedule for completion represents a best effort under the circumstances.

(4) Adequate interim compensatory measures will be taken until compliance is achieved.

III.

Background

By a letter dated July 16, 1982, CYAPCO requested an exemption from section III.G.2 of Appendix R, 10 CFR Part 50 which proposed to relocate redundant shutdown systems within the switchgear room in lieu of providing alternate shutdown capability. CYAPCO indicated at that time that the cost of an independent, alternate shutdown capability would be prohibitive. In a draft safety evaluation dated November 3, 1982, the staff accepted CYAPCO proposal for this area. The staff's fial safety evaluation was issued by letter dated November 14, 1984, in conjuction with the granting of eight exemptions from the requirements of section III.G of Appendix R and approval of other plant modifications for the Haddam Neck plant to achieve compliance with Appendix R. To comply with the schedular requirements of 10 CFR 50.48(c), these modifications were to be completed before startup from the 1986 outage, which subsequently commenced on January 4, 1986.

By letter dated March 7, 1986, CYAPCO requested a temporary exemption from the schedular requirements of 10 CFR 50.48(c), which would defer implementation of the modifications to meet the requirements of Section III.G of Appendix R for fire areas A–1, R–1, R–3, S–2, S–3, and T–1, in order to pursue a new approach for the switchgear room. Rather than relocating redundant electrical divisions for safe shutdown equipment within the existing switchgear room and related plant areas, the licensee now proposes to construct a new building housing a switchgear room that would accommodate one shutdown division. The proposal associated with this exemption request is intended to resolve a number of other issues (tornado missiles, standby DC power, internal missiles and high energy pipe break effects), and, as such, represents a significant improvement in fire protection capability and overall plant safety as compared to the modifications referred to in the staff's November 1984 safety evaluation. The planning, construction and testing associated with this proposal would, subject to staff review, require schedular relief until start-up following the currently planned 1989 outage. This schedular extension would also apply to the specified fire areas which contain redundant

shutdown-related cables that are impacted by the newly proposed switchgear room modifications.

Evaluation Criteria

As stated in Section II above, the Commission provided criteria to be considered when granting schedular exemptions under 10 CFR 50.12(a)(2)(v). The following is a discussion of how these four criteria have been satisfied.

(1) *The utility has, since the promulgation of Appendix R in 1980, proceeded expeditiously to meet the Commission's requirements.*

Since the issuance of 10 CFR 50 Appendix R, CYAPCO has undertaken a number of fire protection reviews and evaluations, and has implemented many fire protection modifications. On March 19, CYAPCO provided the NRC with the results of an initial comparison to Appendix R. The initial comparison to Appendix R and subsequent submittals resulted in numerous meetings with the Staff during the period of 1981 through 1984. Numerous Staff clarifications during this period required additional submittals which culminated in a favorable resolution of a related control room exemption request, as described in the staff's November 1984 safety evaluation.

To date, CYAPCO has performed fire protection modifications costing in excess of $3 million and the proposed switchgear room modifications will cost approximately an additional $10 million to complete. With the exception of 8 pending exemption requests, all other fire protection modifications have been completed.

Based on the above, the Commission concludes that the completed modifications reflect a reasonable effort to expeditiously comply with the requirements of 10 CFR 50 Appendix R.

(2) *The delay was caused by circumstances beyond the utility's control.*

In a somewhat unique approach to the resolution of fire protection requirements, CYAPCO prepared a risk-related document for specific plant fire areas. In March of 1982, the switchgear room, as presently configured, was determined, based on the consultants' study, to be a negligible contributor to risk via internal fire events. Thus, major modifications to this fire area (S–2) were not proposed by the licensee. CYAPCO later determined that the PRA consultant had made a major error in the switchgear assumptions which, when corrected, significantly impacted the calculated risk.

The resolution of the fire protection provisions for the control room, as described in the staff's November 1984 safety evaluation, included the need for a new remote instrumentation panel in the south end of the switchgear room. Related plant modifications further complicated the modification design for the switchgear room and exacerbated the congestion in that area.

In June 1983, the staff issued the Integrated Plant Safety Assessment Report for the Haddam Neck plant (NUREG–0826) which identified plant modifications and additional engineering studies resulting from the Commission's Systematic Evaluation Program (SEP). The license recognized that the contemplated modifications to the switchgear room could affect the resolution of several SEP issues. The licensee subsequently determined that resolution of all of the issues related to the switchgear room would require that the modifications would have to be moved outside the switchgear room.

CYAPCO eventually contracted the services of a consultant to develop a feasibility study of design alternatives to resolve all of the issues for the switchgear room. This study resulted in the proposal presented in the licensee's March 7, 1986 schedular exemption request. The current proposal represents a significant improvement in both fire protection capability and overall plant safety as compared to the earlier modification design concept.

While it is not entirely clear to the staff why the proposed conceptual design for the switchgear room could not have been developed earlier, some of the delay resulted from circumstances beyond the licensee's control. The staff agrees that the licensee was justified in awaiting resolution of all switchgear room issues before committing substantial resources to plant modifications which would also resolve the fire protection problem. While this judgment is a close one, the staff finds that this criterion is satisfied.

(3) *The proposed schedule for completion represents a best effort under the circumstances.*

The licensee's March 7, 1986 letter presents a schedule for the proposed modifications including estimates for the lead time required for detailed design engineering, purchasing of all required equipment, and related construction activities. In view of the magnitude of the proposed modifications and the lead time required to procure the necessary equipment, the staff agrees with the licensee's assessment that it would not be possible to perform all required modifications by the end of the next refueling outage. The staff concluded that, given that certain modifications can only be performed during refueling outages, the licensee's scheduled completion within two refueling outages represents a best effort possible under the circumstances.

(4) *Adequate interim compensatory measures will be taken until compliance is achieved.*

The existing fire protection for the switchgear room and related areas consists of a smoke detection system, an automatic Halon fire extinguishing system or an automatic carbon dioxide suppression system, manual hose stations, and portable fire extinguishers. In addition, the licensee has proposed compensatory measures, in the form of a continuous fire patrol, (i.e., twenty-minute rounds) for the affected areas. The staff concludes that the continuous fire patrol, in conjunction with the fire detection and suppression systems in the switchgear room and related plant areas provide reasonable assurance that any fire would be detected and extinguished before redundant divisions are affected by a fire in any one of the specified fire areas of sufficient size to cause a loss of safe shutdown capability. On this basis, the staff further concludes that plant operation, in the interim, will not present an undue risk to the public health and safety.

IV.

According, the Commission has determined that, pursuant to 10 CFR 50.12(a)(2)(v), the exemption would provide only temporary relief and the licensee has made a reasonable effort to comply with the schedular requirements of 10 CFR 50.48, in conjunction with the resolution of other important safety issues. The requested exemption is authorized by law and will not endanger life or property or the common defense and security. Therefore, the Commission hereby grants a temporary exemption from the requirements of 50.48(c) and Section III.G of Appendix R to 10 CFR Part 50, with respect to separation of electrical divisions in fire areas A–1A, A–1B, A–1C, A–1D, R–1, R–3, S–2, S–3 and T–1 at the Haddam Neck plant until the end of the Cycle 15 refueling outage.

The granting of this exemption is subject to the licensee's submittal of major implementation milestones by September 30, 1986, and subsequent bimonthly progress reports. This exemption is also contingent on implementation of the commitments in the licensee's letter dated July 3, 1986, which resulted from the fire protection inspection audit on June 16–20, 1986. These modifications will substantially improve the existing fire protection capability at the Haddam Neck plant in the interim. Failure to meet any milestone or implement any

commitments will be considered a violation of the terms of the exemption and may result in the voiding of the exemption and subsequent enforcement/compliance action.

The Director, Office of Nuclear Reactor Regulation may grant changes to interim dates of the completion schedule if the licensee's request is timely and shows good cause for the proposed change. However, the completion date for the fire protection modifications will remain the startup from the cycle 15 outage.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will have no significant impact on the environment (51 FR 17696, May 14, 1986).

A copy of the Safety Evaluation dated August 25, 1986, related to this action is available for public inspection at the Commission's Public Document Room, 1717 H Street, NW., Washington, DC and at the local public document room located at the Russell Library, 123 Broad Street, Middletown, Connecticut 06457. A copy may be obtained upon written request addressed to the U.S. Nuclear Regulatory Commission, Washington, DC 20555. Attention: Director Division of PWR Licensing-B.

This Exemption is effective upon issuance.

Dated at Bethesda, Maryland, this 25th day of August, 1986.

For the Nuclear Regulatory Commission.

Harold R. Denton,

Director, Office of Nuclear Reactor Regulation.

[FR Doc. 86-19627 Filed 8-28-86; 8:45 am]

BILLING CODE 7590-01-M

[Dockets Nos. 50-250 and 50-251]

Florida Power And Light Co.; Exemption

I.

Florida Power and Light Company (the licensee) is the holder of Facility Operating License Nos. DPR-31 and DPR-41 which authorizes the operation of the Turkey Point Plant, Unit Nos. 3 and 4 (the facilities) at steady-state power levels not in excess of 2200 megawatts thermal. The facilities are pressurized water reactors (PWRs) located at the licensee's site in Dade County, Florida.

II.

10 CFR 50, Appendix H. Section III.A, requires that a summary technical report be submitted to the Director, Office of Nuclear Reactor Regulation, (NRR) as specified in § 50.4(a) of this part, within one year after capsule withdrawal unless an extension is granted by the Director. The Director, NRR, has delegated the authority to grant such extensions to the Division Director.

The licensee's letter of April 30, 1986, requested an extension be granted for the submittal of the summary technical report dealing with the analysis and testing of the materials in surveillance capsule "V" from Turkey Point Unit 3. The withdrawal date was indicated to be in late April 1985. In response to the NRC staff's request for the specific date, the licensee indicated that capsule "V" was withdrawn from the Unit 3 reactor vessel on March 16, 1985. Since the April 30, 1986, request exceeded one year after withdrawal of the capsule, the request for an extension was not timely and could not be granted.

By letter dated July 11, 1986, the licensee indicated that ex-vessel dosimetry was installed in the April 1985 time frame referenced in their letter requesting an extension for submitting the summary technical report. The date of the dosimetry activity, which is an adjunct part of the licensee's surveillance program, was confused with the capsule "V" removal date and resulted in the untimely request for an extension. Since an extension could not be granted, the licensee requested an Exemption pursuant to 10 CFR 50.12 from the one year requirement specified in 10 CFR 50, Appendix H, section III. A., for submittal of the capsule "V" summary technical report. The request is for a submittal on or before September 1, 1986, which is an extension of the one year requirement by approximately six months.

III.

The surveillance capsule "V" was removed from the reactor vessel during the refueling of Unit 3 and placed in the spent fuel pool. The Turkey Point Technical Specifications require that all the spent fuel in the pool decay for at least 1500 hours before a shipping cask can be moved into the area. The analysis and testing of the materials in the surveillance capsule "V" were contracted to Southwest Research, Inc. (SWRI). The capsule was placed in a shipping cask and sent to SWRI on June 25, 1985. The request for the delay in submitting the summary technical report is due to the death of the SWRI project manager who was responsible for the capsule "V" analysis and tests.

The purpose of the reactor vessel material surveillance program is to monitor the effects of neutron irradiation damage and the thermal environment on the reactor vessel beltline material integrity. The timely analysis of the materials in the surveillance capsule(s) serves to determine the safety margin of the beltline material associated with the pressure temperature limits as required by Appendix G of 10 CFR Part 50. Amendment numbers 56 and 48 dated March 21, 1980, to the facility operating licenses for Units 3 and 4, respectively, allowed the existing pressure-temperature limits to be effective for the first 10 Effective Full Power Years (EFPY) of operation for both units. As of May 31, 1986, exposure for the Unit 3 reactor vessel is 8.7 EFPY and the present exposure for Unit 4 is 8.31 EFPY. These present exposures are below the allowable limit of 10 EFPY set forth in the operating licenses and the summary technical report of the materials in capsule "V" will be submitted well in advance of reaching the licensing limit.

The analysis and test results of the materials in surveillance capsule "V" are applicable to both Units 3 and 4. The Director, Office of Nuclear Reactor Regulation, has approved amendment numbers 112 and 106 dated April 22, 1985, which authorized an integrated surveillance program at the Turkey Point Plant in accordance with the requirements of 10 CFR 50, Appendix H II.C. Hence, based on the present EFPY exposures, there is adequate margin between the actual amount of neutron irradiation exposure to both reactor vessels and the exposure permitted by the operating licenses.

Based on the above, this one-time-only delay of approximately six months in the submittal of the summary technical report will in no way affect the reactor vessel integrity. Therefore, the requested submittal date of on or before September 1, 1986, is reasonable and should be granted.

Accordingly, the Commission has determined that, pursuant to 10 CFR 50.12, this exemption is authorized by law, will not present an undue risk to the public health and safety, and is consistent with the common defense and security. The Commission further determines that special circumstances, as provided in 10 CFR 50.12(a)(2)(ii), are present justifying the exemption, namely that application of the regulation in the particular circumstances is not necessary to achieve the underlying purpose of the rule—to permit the evaluation of the surveillance test data in a timely fashion so that the margins in the approved pressure-temperature curves can be evaluated. Specifically, as noted above, the data from the tests and analysis of the materials in the surveillance capsule(s) are used to define the pressure-temperature limits required by Appendix G of 10 CFR Part 50. The existing Technical Specification

pressure-temperature limits, based on the present EFPY exposures, provide adequate margin between the actual amount of neutron irradiation exposure on both reactor vessels and the exposure permitted by the operating licensees. The summary technical report will be submitted well in advance of reaching the current licensing EFPY limit allowing adequate time to revise the pressure-temperature curves in the Technical Specifications if the test and analysis results indicate the need of revised pressure-temperature curves. Therefore, the requested exemption which authorizes the licensee to submit the sumary technical report of the surveillance capsule "V" on or before September 1, 1986, is granted.

Pursuant to 10 CFR 51.32, the Commission has determined that the issuance of the exemption will have no significant impact on the environment (51 FR 30276) dated August 25, 1986.

For further details with respect to this action, see the licensee's request dated July 11, 1986, which is available for public inspection at the Commission Public Document Room, 1717 H Street, NW., Washington, DC and at the Environmental and Urban Affairs Library, Florida International University, Miami, Florida 33199.

Dated at Bethesda, Maryland, this 25th day of August, 1986.

For the Nuclear Regulatory Commission.

George E. Lear,

Acting Director, Division of PWR Licensing-A, Office of Nuclear Reactor Regulation.

[FR Doc. 86-19628 Filed 8-28-86; 8:45 am]

BILLING CODE 7590-01-M

[Docket No. 50-220]

Withdrawal of Application For Amendment to Provisional Operating License; GPU Nuclear Corp. et al

The U.S. Nuclear Regulatory Commission (the Commission) has granted the request of GPU Nuclear Corporation (the licensee) to withdraw its February 24, 1986 application for amendment to Provisional Operating License No. DPR-16 issued to the licensee for operation of the Oyster Creek Nuclear Generating Station, located in Ocean County, New Jersey. Notice of consideration of issuance of this amendment was published in the **Federal Register** on May 21, 1986 (51 FR 18683).

The request proposed a temporary change to the Oyster Creek Security Plan to describe a special situation at the site protected area boundary. This was requested to facilitate construction of the Expanded Safety System Facility (ESSF) at the Oyster Creek site.

In the staff's April/May 1986 Progress review meeting with GPU Nuclear Corporation on June 16 and 17, 1986, the licensee requested withdrawal of the application for amendment. The meeting summary is dated August 1, 1986. Pursuant to 10 CFR 2.107 the Commission has granted this withdrawal.

For further details with respect to this action, see (1) the application for amendment dated February 24, 1986, (2) the licensee's request for withdrawal in the meeting summary dated August 1, 1986, and (3) the Commission's letter dated August 22, 1986. All of the above documents are available for public inspection at the Commission's Public Document Room, 1717 H Street, NW, Washington, DC, and at the local public document room at Ocean County Library, 101 Washington Street, Toms River, New Jersey 08753.

Dated at Bethesda, Maryland, this 22nd day of August 1986.

For the Nuclear Regulatory Commission.

John A. Zwolinski,

Director, BWR Project Directorate No. 1, Division of BWR Licensing, Office of Nuclear Reactor Regulation.

[FR Doc. 86-19629 Filed 8-28-86; 8:45 am]

BILLING CODE 7590-01-M

POSTAL SERVICE

Intent to Prepare a Supplemental Draft Environmental Impact Statement-Manhattan General Mail Facility

AGENCY: Postal Service.

ACTION: Notice.

SUMMARY: Notice is hereby given that the United States Postal Service (USPS) intends to prepare a Supplemental Draft Environmental Impact Statement (SDEIS) further documenting the assessment of effects related to development of a new General Mail Facility (GMF) to supplement and/or replace certain existing mail processing facilities in Manhattan. Also evaluated will be a "No-Action" alternative.

EFFECTIVE DATE: August 20, 1986.

FOR FURTHER INFORMATION CONTACT: Mr. Edward Wandelt, AICP, Facilities Program Engineer, United States Postal Service, Facilities Department, 475 L'Enfant Plaza, SW, Washington, DC., 20260-6424, tel: (202) 268-3135.

Fred Eggleston,

Assistant General Counsel, Legislative Division.

[FR Doc. 86-19606 Filed 8-28-86;8:45 am]

BILLING CODE 7710-12-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. 34-23550; File No. SR-OCC-86-08]

Self-Regulatory Organizations; Order Granting Approval of a Proposed Rule Change; Options Clearing Corp.

The Options Clearing Corporation ("OCC") on April 28, 1986, submitted a proposed rule change to the Commission under section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"). The proposal extends the benefits of OCC's U.S. escrow receipt program to Canadian OCC Clearing Members and Canadian investors. The Commission published notice of the proposal in the **Federal Register** on May 28, 1986, to solicit public comment.[1] No comments were received. On August 4, 1986, OCC filed with the Commission certain non-substantive amendments to the proposal. For the reasons discussed below, the Commission is approving the proposal.

I. Description of the Proposal

Currently, Clearing Members can deposit with OCC escrow reciepts, issued by a qualified financial institution and collateralized by the underlying security, in lieu of OCC margin on short equity option call positions.[2] OCC can accept escrow receipts only from U.S. financial institutions. The proposed rule change amends OCC's procedures under OCC Rule 610 to permit certain Canadian banks and trust companies to qualify as escrow receipt issuers.

Under the proposal, Canadian financial institutions wishing to issue escrow receipts would have to meet a number of requirements. Specifically, to qualify as an escrow receipt issuer, each Canadian financial institution would need: (1) To satisfy several standards (the "Proposed Standards"); (2) to execute a "Depositary Agreement"; and (3) to use OCC's Escrow Receipt form. (The proposal also sets out a recommended form of Escrow Receipt Agreement for use by Canadian escrow receipt issuers and their customers.)

The Proposed Standards are very similar to existing OCC standards for U.S. financial institutions escrow receipt issuers. The Proposed Standards (and also the Depository Agreement) require a Canadian financial institution: (1) To be either a Schedule A (*i.e.*, a Canadian domestic) bank governed by the Canadian Bank Act or a trust company governed by Canadian federal or

[1] Securities Exchange Act Release No. 23253 (May 19, 1986), 51 FR 19279 (May 28, 1986).

[2] *See* OCC Rule 610 concerning Clearing Member use of escrow receiptrs and Chaper Six of OCC's rules regarding OCC margin requirements generally.

provincial legislation; [3] (2) to have shareholders' equity [4] equivalent to at least $20,000,000 U.S.; [5] and (3) to file with the Board of Governors of the Federal Reserve System (the "Fed") either F.R. Form T–2 or its equivalent conforming to Section 8(a) of the Act [6] in which the Canadian financial institution agrees to comply with U.S. law relating to the use of credit to finance securities transactions.[7] The Proposed Standards further provide that each Canadian financial institution, upon application to OCC for approval as an escrow receipt issuer, must supply OCC with its latest available audited financial statements. After its approval, the institution would be required to submit quarterly unconsolidated statements to OCC and an annual audited report. That report must contain a consolidated or unconsolidated statement of financial condition and a special supplemental report signed by the chief officer of the internal audit department regarding the adequacy of the institution's internal accounting controls relating to escrow receipts and underlying assets.[8] Additionally, the Proposed Standards require each Canadian institution to submit to OCC a signature list of employees authorized to sign escrow receipt forms. Finally, they authorize OCC to charge escrow receipt issuers a $2.00 fee for each escrow receipt form ordered.

The Proposed Standards, Depositary Agreement and the Escrow Receipt all limit the amount of escrow receipts that can be issued by a Canadian financial institution. Institutions can issue escrow receipts as long as either: (i) the total amount of cash and securities (at current market value) held by it pursuant to all outstanding escrow receipts and guarantee letters collateralizing puts and calls,[9] or (ii) the intrinsic or "in-the-money" value of all such puts and calls, does not exceed a dollar amount equal to 25% of the shareholders' equity of the institution.[10]

The Depositary Agreement, which must be executed by proper representatives of the Canadian institution, will be used primarily as the application for approval as an escrow receipt issuer. In the Agreement, Canadian institutions represent that they meet OCC's escrow issuer standards and agree to perform the obligations set forth in the escrow receipt form. In fact, many provisions of the Canadian Escrow Receipt also appear in the Depositary Agreement. For example, the Canadian institution agrees: (1) To hold securities for which the escrow receipt is issued to the order of OCC, the Clearing Member or broker; (2) to deliver to OCC, the Clearing Member or broker those securities against payment of the exercise price (less applicable commissions and other charges) upon receipt of a duly executed [11] escrow receipt; (3) to release those securities to the institution's customer upon receipt of an escrow receipt with an Endorsement of Release executed by each of OCC, the Clearing Member and the broker;[12] and (4) to ensure that all securities held pursuant to outstanding escrow receipts meet the general rules for negotiability by delivery. Moreover, the Depositary Agreement enables the institution to terminate the Agreement solely by providing OCC with 30 days' written notice.[13] Finally, pursuant to the Agreement, the institution consents to jurisidiction in the courts of Ontario and agrees to maintain an office in Toronto (or to irrevocably appoint an agent in Toronto) to receive service of process. The Depositary Agreement and Canadian Escrow Receipt both provide that they will be governed by, and construed in accordance with, the laws of Ontario.

The Canadian Escrow Receipt form is the same as the form used by U.S. institutions,[14] except for necessary terminology changes reflecting the Proposed Standards. When a Canadian finanical institution issues an OCC escrow receipt, the Canadian institution will certify that it: (1) Holds specific securities as custodian for its customer's account and that its customer has authorized the filing of the escrow receipt with OCC; (2) has segregated such securities; (3) has the power to put the securities in good deliverable form or already holds them in good deliverable form; and (4) will not subject (or permit the customer to subject) the securities to any lien or encumbrance and will not cause or permit the securities to be used to satisfy any claim that it may have against the customer. The Canadian Escrow Receipt also carries over language from the U.S. Escrow Receipt form which states that if any securities or other property is distributed (relating to deposited securities because of distribution, stock, split, rights offering, corporate reorganization, recapitalization and the like (the "distributed property")), and OCC chooses to adjust the options on the deposited securities under its By-Laws,[15] then the institution agrees that the deposited securities are deemed to include the distributed property.[16] Moreover, the institution also confirms that its customer understands: (1) If the customer closes out short positions relating to an escrow receipt, the customer is responsible to ensure the due release of the receipt; and (2) until the deposit is released, OCC can demand delivery of the deposited securities if an exercise notice is allocated to that series of options in the Clearing Member's customer account.

[3] To qualify as an escrow receipt issuer, a U.S. financial institution must be a bank or trust company organized under the laws of the U.S. or a state thereof, supervised and examined by a state or federal authority.

[4] Shareholders' equity would be computed on an unconsolidated basis and would consist of common stock, surplus and retained earnings, preferred stock and subordinated debt would not be considered.

[5] Shareholders' equity requirement for U.S. financial institutions also is $20,000,000.

[6] The staff of the Board of Governors of the Federal Reserve System has stated that escrow receipts issued by any foreign banking institution that has filed a Form T–2 qualify as "escrow agreements" for purposes of Regulation T. *See* letter dated May 15, 1984, from Laura Homer, Securities Credit Officer, to Martin Portney, Esq.

[7] F.R. Form T–2 or any equivalent agreement filed with the Fed is subject to termination at any time by order of the Fed for failure to comply with the agreement's provisions.

[8] U.S. escrow-issuing institutions' reporting requirements are very similar. Each U.S. institution must submit to OCC quarterly reports, an annual audited report and a supplemental report by an independent public accountant on the adequacy of its internal accounting controls relating to escrow receipts. OCC represents in its filing that Canadian public accountants do not issue independent supplemental reports. Therefore, OCC instead will require that the corresponding Canadian supplemental report be signed by the chief officer of the institution's internal audit department.

[9] Under the proposal, OCC will accept escrow receipts relating only to deposited stocks underlying short stock option call positions. If a significant demand develops in Canada for index option escrow receipts, OCC states in its filing that it will consider at that time whether to prepare a Canadian version of its existing index option escrow receipt and will submit it to the Commission as a proposed rule change under section 19(b) of the Act.

[10] *See* Securities Exchange Act Release No. 23244 (May 16, 1986), 51 FR 19094 (May 27, 1986) ("Release No. 23244"), in which the Commission approved File No. SR–OCC–86–06 containing the alternative "in-the-money" formula.

[11] The Depositary Agreement provides that "duly executed" includes, in the case of an escrow receipt delivered by a Clearing Member, an "Endorsement of Release" duly executed by OCC; or, in the case of an escrow receipt delivered by the broker, an Endorsement of Release duly executed by both OCC and the Clearing Member named in the escrow receipt.

[12] The provisions regarding the release or delivery of deposited securities also are contained in the Canadian Escrow Receipt form.

[13] All of these terms of agreement are identical to the terms in the U.S. Depositary Agreement.

[14] As amended in File No. SR–OCC–86, *see* note 10 *supra*.

[15] *See* OCC By-Laws, Article VI, Section 11.

[16] The escrow agreement also clarifies the institution's duties concerning deposited securities that are "called-in" between "ex-date" for a distribution and the time of distribution.

II. OCC's Rationale for the Proposed Rule Change

OCC believes that the proposal is consistent with the purposes and requirements of Section 17A of the Act for several reasons. First, it would further the public interest by promoting greater Canadian participation in the U.S. options markets. Second, OCC states that its proposal would foster competition by increasing the number of institutions eligible to issue escrow receipts. At the same time, OCC also believes that investors will continue to be protected by the safeguards provided in connection with the escrow receipt program.

III. Discussion

The Commission believes that the proposal is consistent with Section 17A of the Act and therefore is approving it. As discussed below, the Commission believes that the proposal should promote the prompt and accurate clearance and settlement of options transactions and should assure the safeguarding of funds and securities in OCC's possession or for which it is responsible.

The proposal should promote the prompt and accurate clearance and settlement of options transactions for a number of reasons. OCC-issued, standardized options contracts traded in U.S. markets have been offered in Canada for several years. To cover short equity option call positions, Canadian investors have had to deposit underlying securities with the OCC-approved, escrow receipt issuer in the United States. This procedure has been inconvenient and somewhat burdensome to Canadian investors (and their Canadian brokers who have had to route their options business through U.S. OCC Clearing Members), but the low volume of Canadian investors' OCC options activity has provided little impetus for change. That situation is changing rapidly, however.

Recenty, there has been a growing interest in international securities trading and, with it, the development of a number of international trading, clearance and settlement linkages and other arrangements to facilitate international trading.[17] The Commission agrees with OCC that these recent developments may stimulate increased Canadian investor interest in U.S. option markets and perhaps greater direct Canadian broker-dealer participation in OCC.[18] The proposal should encourage increased activity. For the first time, Canadian and American investors will be able to write and cover equity option call contracts under substantially identical procedures. Because the proposal will allow those writers to use local banks to receive deposits of underlying securities, and to issue for OCC's benefit escrow receipts on those deposits, Canadian investors and their Canadian broker-dealers (especially if they become direct OCC Clearing Members) will be on parity with their American counterparts. This will enable Canadian options investors to make market decisions without having to consider the operational and financial burdens of establishing and maintaining U.S. banking relationships necessary to cover their short equity option call positions.[19]

The Commission also believes that the proposal should assure the safeguarding of securities and funds under section 17A of the Act. OCC's proposal is almost identical to OCC's long-established and successful U.S. escrow receipt issuer program. Canadian escrow receipt issuers will need to meet financial and regulatory requirements almost identical to the requirements for U.S. financial institutions. First, Canadian institutions must have at least the equivalent of $20,000,000 U.S. in shareholders' equity, which is identical to the requirement for U.S. escrow issuers. Second, Canadian financial institutions, like U.S. banks or trust companies organized under state or federal law, must be banks or trust companies governed by federal or provincial legislation. Thus, OCC will be afforded protections under the Canadian bank regulatory scheme such as segregation of trust assets and special creditor status in the event of a bank failure. Because Canadian institutions necessarily cannot be subject to U.S. state or federal examination,[20] the Commission believes that this provision should help to assure OCC that it will not be exposed to increased financial risk from the institution's securities related financing activities.

The Commission believes that the proposed financial reporting requirements for Canadian financial institutions, *i.e.*, quarterly financial statements, annual audited report and supplemental report on internal accounting controls relating to escrow receipts, are effective safeguards. These reports not only will keep OCC informed about the overall financial condition of Canadian escrow receipt issuers; they also will provide OCC with specific assurances concerning the adequacy of escrow receipt related internal accounting controls. The Commission, however, notes that while these reporting requirements are generally comparable to corresponding requirements for U.S. institutions, they differ in one important way. Because Canadian public accountants do not issue independent internal accounting

---

[17] *See Request for Comments on Issues Concerning Internationalization of the World Securities Markets*, Securities Exchange Act Release No. 21958 (April 18, 1985), 50 FR 16302 (April 25, 1985). *See also*, Securities Exchange Act Release Nos. 21499 (November 1, 1984), 49 FR 44575, and 21925 (April 8, 1985), 50 FR 14480, approving a Boston Stock Exchange-Montreal Stock Exchange trading link; Securities Exchange Act Release No. 22442 (September 20, 1985), 50 FR 39201 (September 27, 1985), approving an American Stock Exchange-Toronto Stock Exchange ("TSE") trading link; and Securities Exchange Act Release No. 23075 (March 28, 1986), 51 FR 11854 (April 7, 1986), approving a Midwest Stock Exchange-TSE link. Clearance and settlement linkages have been established between the Amsterdam Stock Exchange and the Depository Trust Company (1980); Trans-Canada Options and National Securities Clearing Corporation ("NSCC")/OCC (1982); Canadian Depository for Securities, Limited ("CDS") and NSCC; Vancouver Stock Exchange Service Corporation and Midwest Clearing Corporation ("MCC")/Midwest Securities Trust Company ("MSTC") (1985); CDS and MCC/MSTC (1986); and most recently, MCC/MSTC and The Stock Exchange, London, England. The Commission has reviewed these links in the "no-action" context. *See, e.g.*, letter dated September 20, 1985, from Jonathan Kallman, Assistant Director, Division of Market Regulation, to Karen L. Saperstein, Assistant General Counsel, NSCC.

[18] OCC has been an active player in developing international business. For example, OCC last summer proposed, and the Commission approved, a proposed rule change that enables foreign broker-dealers, including Canadian broker-dealers, to become direct OCC Clearing Members. *See* Securities Exchange Act Release No. 22133 (June 6, 1985), 50 FR 24853 (June 13, 1985), approving File No. SR-OCC-85-02. On May 9, 1986, OCC filed a proposed rule change (File No. SR-OCC-86-10) with the Commission that OCC hopes will facilitate direct OCC membership of foreign broker-dealers generally, and, in particular, Canadian broker-dealers. The proposal would authorize OCC to adjust OCC financial reporting requirements for those broker-dealers in light of the regulatory schemes in their home countries. In addition, OCC currently has pending before the Commission a proposed rule change (File No. SR-OCC-85-13) that would enable OCC to offer, clear and settle "fungible" foreign currency options traded through a London Stock Exchange ("LSE")—Philadelphia Stock Exchange ("Phlx") link. *See* Securities Exchange Act Release Nos. 22354 (August 23, 1985), 50 FR 35340, and 22847 (January 30, 1986), 51 FR 4551 (February 5, 1986). *See also* File No. SR-Phlx-85-24, Securities Exchange Act Release No. 22343 (August 21, 1985), 50 FR 34955 (August 28, 1985), concerning the LSE-Phlx link. OCC also intends in the near future to establish a branch office in Toronto.

[19] The broker-dealer also benefits from this proposal because OCC does not include covered positions in its margin calculations. Therefore, the broker-dealer will have more assets available for business use.

[20] The proposal, however, does require Canadian institutions to file a Form T-2 (or its equivalent) with the Fed. By filing this Form (or its equivalent), the foreign financial institution agrees to comply with U.S. law relating to the use of credit to finance securities transactions, *e.g.*, Regulation T, 12 C.F.R. § 220.

control reports on escrow-related procedures (unlike U.S. public accountants), the internal audit departments of Canadian institutions will prepare this annual "supplemental report" on the adequacy of internal accounting controls relating to escrow receipts. Nevertheless, the Commission thinks that this difference should not reduce OCC's level of protection in any meaningful way. The Commission recognizes that OCC (and other clearing agencies) should have a reasonable amount of flexibility to create financial and operational standards for foreign participants in the U.S. securities markets that are not unreasonably burdensome when viewed, among other things, in relation to the regulatory scheme of their home country. At the same time, the standards must protect OCC and its domestic clearing community from unreasonable financial exposure. OCC's proposal accomplishes this result.

Moreover, the proposal contains adequate concentration requirements that mirror the requirements for U.S. escrow receipt issuers. Like U.S. institutions, Canadian institutions will be able to issue escrow receipts until the gross value of the deposited collateral or the intrinsic value, *i.e.*, the "in-the-money" amount of the options covered by the escrow receipt, reaches 25% of the institution's shareholders' equity. As the Commission concluded in Release No. 23244,[21] this provision should adequately protect OCC by controlling the amount of escrow receipts that can be issued by banks and trust companies and, indeed, should ensure that OCC always will have sufficient collateral to secure its risks related to the escrow receipt program. To ensure that the concentration requirements are a meaningful safeguard, escrow issuing banks must monitor closely the value of escrowed assets and must notify OCC whenever that value falls to less than 50% of the current position value.[22]

An important distinction between Canadian-issued and American-issued escrow receipts is that Canadian issuers would not be required to consent to service of process within the United States. Canadian escrow receipt issuers, however, would be required to appoint an agent for services of process in the province of Ontario. The Commission is satisfied with this arrangement in light of an opinion from OCC's Canadian counsel that the Canadian escrow receipt and the Depositary Agreement, including provisions that would require application of Ontario law, would be valid and enforceable under Canadian federal and Ontario provincial law.

On the basis of the foregoing, the Commission finds that OCC's proposed rule change is consistent with the Act and, in particular, with section 17A of the Act.

Accordingly, it is therefore ordered, under section 19(b)(2) of the Act, that the proposal (File No. SR–OCC86–08) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority.

Dated: August 22, 1986.

Jonathan G. Katz,

Secretary.

[FR Doc. 86–19591 Filed 8–28–86; 8:45 am]

BILLING CODE 8010–01–M

[Rel. No. IC–15272; 812–6366]

Carnegie Government Securities Trust: Application For Order Permitting Custody of Excess Margin Payments With Futures Commission Merchants

August 22, 1986.

Notice is hereby given that Carnegie Government Securities Trust (the "Applicant"), 1331 Euclid Avenue, Cleveland, Ohio 44115, filed an application on April 29, 1986 and amendments thereto July 9 and August 19, 1986, for an order pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") exempting Applicant from section 17(f) of the Act to the extent necessary to permit its Carnegie High Yield Government Series to maintain certain excess variation margin payments with respect to futures contracts and options thereon (collectively, "Futures Contracts") on deposit with futures commission merchants ("FCMs"). All interested persons are referred to the application on file with the Commission for a statement of the representations contained therein, which are summarized below, and to the Act for the text of all applicable provisions thereof.

According to the application, Applicant is a diversified, open-end management investment company with two series of shares: the Money Market Series and the Carnegie High Yield Government Series (the "Government Series"). Applicant represents that the Government Series' investment objective is to seek a high current return consistent with reasonable risk, through a professionally managed portfolio invested in debt obligations issued or guaranteed by the United States Government, its agencies or instrumentalities ("U.S. Government Securities"). Applicant also represents that the Government Series may engage in portfolio strategies involving the use of options on U.S. Government Securities to seek to enhance its current return and to hedge against changes in interest rates. Applicant further represents that the Government Series may also purchase and sell Futures Contracts with respect to U.S. Government Securities as a hedge against changes in interest rates. The Government Series will not however, engage in transactions involving Futures Contracts for speculation. Thus, Applicant states that it has filed with the Commodity Futures Trading Commission a notice of eligibility, pursuant to Rule 4.5(a)(1) under the Commodities Exchange Act, to claim exclusion from the definition of the term "commodity pool operator".

According to the application, both the purchaser and seller of futures contracts are required to deposit "initial margin" payments at the time the contract is entered into and, if the market moves adversely to their positions, to make "variation" margin payments in order to restore the equity in the account to a certain level. Applicant represents that if the market moves in a direction favorable to the trader's position, variation margin payments will be due to the trader. Applicant further represents that the required amount of variation margin payments is determined daily, and additional margin is required, or excess margin is released, as the value of the futures contract fluctuates.

Applicant states that the purchaser of an option on a futures contract is not subject to initial or variation margin payments, unless the option is exercised, but is required to pay a non-refundable premium, plus transaction costs. Applicant further states that the writer of the option, however, is subject to initial and variation margin payments in connection with the option, as well as the underlying futures contract, in the event the option is exercised.

Applicant states that it currently demands that any excess variation margin be remitted to it on the business day next succeeding the business day on which a determination is made that there is variation margin due. Applicant represents that this policy is consistent with no-action letters issued by the Division of Investment Management, which have established guidelines for

---

[21] *See* note 10 *supra*.

[22] If an institution notifies OCC of this fact, OCC then can disregard the escrow receipt and require the appropriate Clearing Member to deposit OCC margin regarding the previously covered short position.

the maintenance of margin accounts between FCMs and investment companies. Applicant asserts, however, that this policy is unnecessarily costly and unduly burdensome for the Applicant and a FCM, if the Government Series is continuously required to demand payment of small amounts of variation margin. According to the application, the Government Series' custodian ("Custodian") presently imposes a charge of $25 for each transfer of excess variation margin to its general custodial account.

Applicant proposes that variation margin payments due from any FCM with which it maintains an account will be retained by such FCM until the total amount due exceeds $50,000, at which time Government Series will demand that such excess variation margin be paid over. Applicant further proposes that the total amount of such excess variation margin due from all FCMs with which the Government Series maintains accounts will not exceed the greater of $100,000 or ⅛ of one percent of Applicant's net assets, in order to minimize any risk of loss of the variation margin to which it is entitled. Applicant states that the Government Series may be unable to comply with the provisions of section 17(f) of the Act to the extent that variation margin payments up to $50,000 will be retained by a FCM as described above.

In support of its requested relief from section 17(f), the Applicant undertakes, with respect to Futures Contracts, that the Government Series' custodial agreement will always provide for the transfer of the margin deposit assets maintained for each FCM into a segregated account with the Custodian and will provide that (1) the Custodian will take instructions with respect to disposition of assets in that account only from that FCM; and (2) in directing the disposition of these assets, the FCM must state that the Government Series is in default on an obligation to perform on a Futures Contract, that all conditions precedent to its right to direct disposition have been satisfied, and that the disposition is for a proper purpose under, and in all other respects complies with, the terms of its agreement with the Government Series. The Government Series will enter into an agreement with each FCM which will provide that (1) Government Series assets which would otherwise be physically held by the FCM will be in the possession of the Custodian until released or sold or otherwise disposed of in accordance with or under the terms of that agreement; (2) that those assets would not otherwise be pledged or encumbered by the FCM; (3) that when requested by the Government Series the FCM would cause such Custodian to release to the Government Series' general custodial account any assets to which the Government Series is entitled under the terms of such agreement; and (4) that assets in the segregated account shall otherwise be used only to satisfy the Government Series' obligations to the FCM under the terms of that agreement. Applicant states that the Government Series will appropriately disclose in the prospectus used for the sale of its shares the risk of loss or delay in recovery of margin deposits in the event of a broker's insolvency or bankruptcy, although the foregoing arrangements are intended to reduce that risk.

Applicant further states that any variation margin payable to the Government Series by an FCM will be reflected as net gains, will immediately be shown as increased equity in the Government Series' account with that FCM and will immediately be credited to the Government Series' net asset value. (Conversely, variation margin payments made to an FCM by the Government Series will be reflected as net losses). Applicant undertakes to monitor, on a daily basis, amounts of variation margin due to the Government Series, and to promptly demand payment and transfer of those amounts from each FCM to the Government Series' general custodial account whenever the amount of variation margin owed to the Government Series by a given FCM exceeds $50,000. Applicant anticipates that excess margin will be returned to the Government Series one business day or less after the $50,000 level is exceeded with respect to a particular FCM. Applicant believes that the proposed practices in connection with variation margin owed to the Government Series by FCMs have been structured to minimize any risk of loss of any variation margin to which it is entitled while benefiting the Government Series by reducing transactional costs incurred by it in purchasing and selling Futures Contracts.

Notice is further given that any interested person wishing to request a hearing on the application may, not later than September 15, 1986, at 5:30 p.m., do so by submitting a written request setting forth the nature of his/her interest, the reasons for the request, and the specific issues, if any, of fact or law that are disputed, to the Secretary, Securities and Exchange Commission, Washington, DC 20549. A copy of the request should be served personally or by mail upon Applicant at the address stated above. Proof of service (by Affidavit or, in the case of an attorney-at-law, by certificate) shall be filed with the request. After said date, an order disposing of the application will be issued unless the Commission orders a hearing upon request or upon its own motion.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 86-19589 Filed 8-28-86; 8:45 am]

BILLING CODE 8010-01-M

[Release No. IC-15273; File No. 812-6441]

The Zweig Fund, Inc.; Application For an Order Permitting Custody of Excess Variation Margin With Futures Commission Merchants

August 22, 1986.

Notice is hereby given that The Zweig Fund, Inc. ("Applicant"), 900 Third Avenue, New York, New York 10022, Registered under the Investment Company Act of 1940, as amended (the "Act"), as a closed-end, management investment company, filed an application on July 25, 1986, with the Commission pursuant to section 6(c) of the Act, for an order exempting its proposed activities from any provisions of the Act, including, but not limited to, section 17(f) of the Act, and the rules thereunder to the extent necessary to permit Applicant to maintain excess variation margin with its futures commission merchants when Applicant engages in transactions in futures contracts and options on futures contracts. All interested parties are referred to the application on file with the Commission for a statement of representations contained therein, which are summarized below, and to the Act and the rules thereunder for the applicable statutory provisions.

Applicant states that, in furtherance of its investment objective, it may use certain investment methods, including the purchase and sale of equity options and short sales of securities and that, for hedging purposes, it may purchase and sell stock index and other futures contracts and purchase related options thereon. Applicant states that such purchases and sales of stock index and other futures contracts and purchases of related options will be made solely for the purpose of hedging against the effect that changes in general market conditions, interest rates and conditions affecting particular industries may have on the value of securities held in

Applicant's portfolio, or which it intends to purchase, and not for the purposes of speculation.

Applicant states that in purchasing and selling futures contracts and in purchasing related options on such contracts, Applicant will comply with the rules and interpretations of the Commodity Futures Trading Commission ("CFTC"), including the provisions of Regulation 4.5 under which Applicant is exempted form regulation as a "commodity pool operator." Accordingly, Applicant does not intend to register as a "commodity pool operator" with CFTC.

Applicant states that futures contracts are traded only on commodity exchanges—known as "contract markets"—approved for such trading by the CFTC. Transactions in futures contracts must be executed through a futures commission merchant ("FCM") which is a member of the relevant contract market.

Applicant states that in contrast to the purchase or sale of a security, a long or short futures position is established not by payment of the purchase price but through payment to the FCM of a percentage of the face value of the contract. This amount, known as "initial margin", represents a "good faith" deposit assuring the performance of both parties to the contract. Both the purchaser and seller of the futures contract are required to deposit initial margin at the time the contract is entered into and, if the market moves adversely to their positions, to make "variation" or "maintenance" margin payments in order to restore the equity in the account to a certain level. Conversely, if the market moves in a direction favorable to the trader's position, variation margin payments will be due to the trader. The required amount of variation margin payments, established through a process known as "marking to the market", is detemined daily, and additional margin is required, or excess margin is released, as the value of the contract fluctuates.

Applicant states that initial margin payments required in connection with Applicant's transactions in futures contracts and related options will be made into special segregated accounts with Applicant's Custodian, in the name and for the benefit of Applicant's FCMs ("Account"). A separate Account will be established for each FCM with which Applicant enters into futures transactions, and each such Account will be maintained apart from the general custodial account of Applicant. The amounts held in the Accounts will constitute performance bonds, to be returned to Applicant upon termination of the futures positions, assuming that all of Applicant's contractual obligations to the FCM have been satisfied. Applicant states that subsequent variation margin payments due to an FCM by Applicant, if any, will be made directly to such FCM by Applicant.

Applicant further states that it has a right to demand excess variation margin payments from an FCM in any amount on any day that there is excess above the required initial margin, but submits that it would be unnecessarily costly and unduly burdensome for both Applicant and its FCM if Applicant were required to demand payment of *de minimis* amounts of excess variation margin. It is further asserted that, to demand return of an insubstantial portion of its assets, Applicant would have to incur transaction fees charged by its Custodian and additional operating expenses. Accordingly, Applicant requests an exemption from section 17(f) of the Act to permit it to maintain excess variation margin with its FCM so long as the amount of such margin does not exceed $50,000, and so long as the total amount due from all FCMs with which Applicant maintains accounts does not exceed ⅛ of one percent of Applicant's net assets.

In support of the requested relief, Applicant states that the ability to leave excess margin with its FCM to this extent would save Applicant, its shareholders and its FCM the expense of processing payments of small amounts without increasing in any meaningful degree any risk to the security of its assets. Applicant submits that these procedures are consistent with the protection of investors and the appropriate conduct of futures contracts and related options activities.

Applicant represents that each agreement with its Custodian and FCM establishing an Account will provide that (1) the Custodian will take instructions with respect to disposition of assets in that Account only from the FCMs; (2) in directing any disposition of assets, the FCM must state that Applicant is in default (if the directed disposition is to the FCM), that all conditions precedent to its right to direct disposition have been satisfied, and that the disposition is for a proper purpose under, and in all other respects complies with, the terms of the agreement; (3) Applicant's assets that would otherwise be held by the FCM will be in the possession of the Custodian until released or sold or otherwise disposed of in accordance with or under the terms of the agreement; (4) those assets will not otherwise be pledged or encumbered by the FCM; (5) when requested by Applicant, the FCM will cause the Custodian to release to Applicant's general custodial account any assets to which Applicant is entitled under the terms of such agreement; and (6) assets in the segragated Account will otherwise be used only to satisfy Applicant's obligations to the FCM under the terms of the agreement. Applicant further states that it will promply cause to be transferred to the general custodial account any amounts no longer required as initial margin to support its futures contracts and options thereon. Applicant states that it has disclosed and will disclose in its prospectus the risk of loss of margin deposits due to the bankruptcy of an FCM, although the foregoing arrangements are designed to reduce this risk.

Applicant states that any variation margin payable to Applicant by an FCM will be reflected as net gains, will immediately be shown as increased equity in Applicant's account with that FCM and will immediately be credited to Applicant's net asset value. Conversely, variation margin payments made to an FCM by Applicant will be reflected as net losses. Applicant states that, on a daily basis, it will monitor amounts of variation margins due to it and promply demand payment and transfer those amounts from the FCM to Applicant's Custodian (for the general or segregated custodial account, as appropriate) whenever the amount of variation margin owed to Applicant by a given FCM reaches $50,000, in order to minimize any risk of loss of any variation margin to which Applicant is entitled. In no event, however, will the total amount due from all FCMs with which Applicant maintains accounts exceed ⅛ of one percent of Applicant's net assets. Applicant anticipates that excess margin will be returned to it one business day or less after the levels noted above are reached.

Applicant further states that initial margin held by its Custodian and variation margin payments held by its FCM will continue to be regarded as assets of Applicant, unless and until such amount are owed to the FCM. No FCM will be permitted to pledge or encumber amounts held by it or the Custodian for the benefit of Applicant. In the event of the insolvency of an FCM, amounts held by the FCM for the benefit of Applicant will be subject to the Federal bankruptcy laws and the bankruptcy regulations of the CFTC, which provide for pro rata distribution to customers of the FCM of all customer property.

In view of the CFTC requirement that initial margin deposits on futures

contracts and related options and premiums paid for related options may not exceed five percent of Applicant's total assets, and the other extensive regulations of the CFTC governing segregation and accounting by FCMs, Applicant believes that an exemption from the provision of section 17(f) of the Act is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given that any interested person wishing to request a hearing on the application may, not later than September 15, 1986, at 5:30 p.m., do so by submitting a written request setting forth the nature of his interest, the reasons for such request and the specific issues, if any, of fact or law that are disputed, to the Secretary, Securities and Exchange Commission, Washington, DC 20549. A copy of such request shall be served personally or by mail upon Applicant at its address stated above. Proof of service (by affidavit or, in the case of an attorney-at-law, by certificate) shall be filed with the request. After said date, an order disposing of the application will be issued unless the Commission orders a hearing upon request or upon its own motion.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

[FR Doc. 86-19590 Filed 8-28-86; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2248]

California; Declaration of Disaster Loan Area

Riverside County in the State of California, constitutes a disaster area because of damage from an earthquake which occurred on July 8, 1986, and its aftershocks. Applications for loans for physical damage may be filed until the close of business on October 20, 1986, and for economic injury until the close of business on May 21, 1987, at the address listed below:

Disaster Area 4 Office, Small Business Administration, 77 Cadillac Drive, Suite 158, Sacramento, California 95825.

or other locally announced locations.

The filing periods specified above are subject to the availability of appropriated funds on and after October 1, 1986.

The interest rates are:

	Percent
Homeowners with credit available elsewhere	8.000
Homeowners without credit available elsewhere	4.000
Businesses with credit available elsewhere	8.000
Businesses without credit available elsewhere	4.000
Businesses (EIDL) without credit available elsewhere	4.000
Other (non-profit organizations including charitable and religious organizations)	10.000

The number assigned to this disaster is 224802 for physical damage and for economic injury the number is 643300.

(Catalog of Federal Domestic Assistance Programs Nos. 59002 and 59008).

Date: August 21, 1986.

Charles L. Heatherly,

Acting Administrator.

[FR Doc. 86-19646 Filed 8-28-86; 8:45 am]

BILLING CODE 8025-01-M

National Small Business Development Center Advisory Board; Public Meeting

The National Small Business Development Center Advisory Board will hold a public meeting on Thursday and Friday, September 4 and 5, 1986, from 8:00 a.m. to 4:15 p.m. The meeting will be held in a conference room at The University of Georgia, Chicopee Building, 1180 East Broad Street, Athens, Georgia 30602. The purpose of the meeting is to discuss such matters as may be presented by Advisory Board Members, staff of the U.S. Small Business Administration, or others present.

For further information, write or call Freddie Collins, SBA Member, Room 317, U.S. Small Business Administration, 1441 "L" Street, NW, Washington, DC 20416; telephone number: (202) 653-6768.

Jean M. Nowak,

Director, Office of Advisory Councils.

August 26, 1986.

[FR Doc. 86-19647 Filed 8-28-86; 8:45 am]

BILLING CODE 8025-01-M

Region IX Advisory Council; Public Meeting

The U.S. Small Business Administration, Region IX Advisory Council, located in the geographical area of Phoenix, Arizona, will hold a public meeting at 10:00 a.m. on October 17, 1986, at the Phoenix Chamber of Commerce Building, Suite 900, Chamber Board Room, 34 West Monroe, Phoenix, Arizona 85003 to discuss such matters as may be presented by members, staff of the Small Business Administation and others attending.

For further information, write or call Anthony M. White, District Director, U.S. Small Business Administration, 2005 North Central Avenue, Fifth Floor, Phoenix, Arizona 85004 (602) 261-3732.

Jean M. Nowak,

Director, Office of Advisory Councils.

August 25, 1986

[FR Doc. 86-19648 Filed 8-28-86; 8:45 am]

BILLING CODE 8025-01-M

DEPARTMENT OF STATE

[CM-8/984]

Advisory Committee on South Africa; Closed Meetings

The Advisory Committee on South Africa will meet in a closed session on September 11, 1986. The meeting will commence at 9 a.m. and will be held in Room 7516, Department of State, Washington, DC.

The session will be closed to the public pursuant to section 10(d) of the Federal Advisory Committee Act and 5 U.S.C. 552b(c)(1) and (c)(9)(B). The Committee will have access to and will discuss classified information. Disclosure of the Committee's deliberations could adversely affect the Committee's ability to function as a group in providing the Secretary of State with advice on matters of critical importance to the conduct of United States foreign policy. The purpose of the meeting will be to discuss the current situation in South Africa and to evaluate U.S. policy toward South Africa.

Requests for further information should be directed to: Ann Miller (202) 632-0190, 1730 K Street, NW., Washington, DC 20006.

Dated: July 29, 1986.

C. William Kontos,

Executive Director.

[FR Doc. 86-19556 Filed 8-28-86; 8:45 am]

BILLING CODE 4710-26-M

DEPARTMENT OF TRANSPORTATION

Aviation Proceedings; Agreements Filed During the Week Ending—Aug. 22, 1986

The following agreements were filed with the Department of Transportation under the provisions of 49 U.S.C. 408, 409, 412, and 414. Answers may be filed within 21 days of filing.

Docket No. 44268

Parties: Members of International Air Transport Association.
Date Filed: August 19, 1986.
Subject: Reso. 518 ex-Malaysia.
Proposed Effective Date: October 1, 1986.

Docket No. 44269

Parties: Members of International Air Transport Association.
Date Filed: August 19, 1986.
Subject: UK/Eire-Canada Cargo Rates.
Proposed Effective Date: October 1, 1986.

Docket No. 44270

Parties: Members of International Air Transport Association.
Date Filed: August 19, 1986.
Subject: Tokyo-Saipan fare conditions.
Proposed Effective Date: October 1, 1986.

Docket No. 44271

Parties: Members of International Air Transport Association.
Date Filed: August 19, 1986.
Subject: Demurrage in New Zealand.
Proposed Effective Date: October 1, 1986.

Docket No. 44273 R-1—R-3

Parties: Members of International Air Transport Association.
Date Filed: August 22, 1986.
Subject: Adjustment Factors Europe-Japan/Korea.
Proposed Effective Date: September 26, 1986 and October 1, 1986.

Docket No. 44274

Parties: Members of International Air Transport Association.
Date Filed: August 22, 1986.
Subject:
Proposed Effective Date: November 1, 1986.

Docket No. 44264

Parties: Delta Air Lines, Inc. and Jet America Airlines, Inc.
Dated Filed: August 18, 1986.
Subject: Application of Delta Air Lines, Inc. pursuant to section 416(b) of the Act applies for an exemption from section 408 of the Act, in connection with its proposed acquisition of control of Jet America Airlines, Inc. Answers may be filed by August 28, 1986 per Order 86-8-67.

Phyllis T. Kaylor,

Chief, Documentary Service Division.

[FR Doc. 86-19640 Filed 8-28-86; 8:45 am]

BILLING CODE 4910-62-M

Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q during the Week Ended

August 22, 1986.

The following applications for certificates of public convenience and necessity and foreign air carrier permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et seq.). The due date for answers, conforming application, or motions to modify scope are set forth below for each application. Following the answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket No. 44257

Date Filed: August 21, 1986.
Due Date for Answers, Conforming Applications, or Motion to Modify Scope: September 18, 1986.
Description: Application of KLM Royal Dutch Airlines pursuant to section 402 of the Act and Subpart Q of the Regulations requests renewal of its permit to engage in foreign air transportation between a point or points in the Netherlands and Anchorage, Alaska, either as a terminal point or as an intermediate point on its polar services and authorizing it to transfer traffic at Anchorage on an emergency basis.

Docket No. 44266

Date Filed: August 18, 1986.
Due Date for Answers, Conforming Applications, or Motions to Modify Scope: September 15, 1986.
Description: Application of Ryan International Airlines pursuant to section 401(d)(1) of the Act and Subpart Q of the Regulations requests a certificate of public convenience and necessity authorizing it to provide scheduled foreign air transportation of property and mail on a permissive basis between the following points:

Between any point or points in any States of the United States (including all points in United States commonwealths, territories and possessions), and the District of Columbia, on the one hand, and a point or points in the following countries, on the other hand:

Algeria
Austria
Bahrain
Belgium
Canada
Denmark
Egypt
Federal Rep. of Germany
France
Hong Kong
India
Indonesia
Shannon, Ireland
Israel
Kenya
South Korea
Kuwait
Liberia
Netherlands
Nigeria
Oman
Pakistan
Portugal
Romania
Senegal
Singapore
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Taiwan
Thailand
Tunisia
Turkey
United Arab Emirates
United Kingdom
Yugoslavia
Zimbabwe

Phyllis T. Kaylor,

Chief, Documentary Services Division.

[FR Doc. 86-19641 Filed 8-28-86; 8:45 am]

BILLING CODE 4910-62-M

[Order 86-8-76; Docket 43855]

Application of Haines Airways, Inc. For Certificate Authority Under Subpart Q

AGENCY: Department of Transportation.

ACTION: Notice of Order to Show Cause.

SUMMARY: The Department of Transportation is directing all interested persons to show cause why it should not issue an order finding Haines Airways, Inc., fit and awarding it a certificate of public convenience and necessity to engage in scheduled interstate and overseas air transportation.

DATES: Persons wishing to file objections should do so no later than September 15, 1986.

ADDRESSES: Objections and answers to objections should be filed in Docket 43855 and addressed to the Documentary Services Division (C-55, Room 4107), U.S. Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590 and should be served upon the parties listed in Attachment A to the order.

FOR FURTHER INFORMATION CONTACT: Mrs. Barbara P. Dunnigan, Special Authorities Division (P-47, Room 6420), U.S. Department of Transportation, 400 Seventh Street, SW., Washingtin, DC 20590, (202) 366-2342.

Dated: August 25, 1986.

Vance Fort,

Acting Assistant Secretary for Policy and International Affairs.

[FR Doc. 86-19642 Filed 8-28-86; 8:45 am]

BILLING CODE 4910-62-M

Federal Aviation Administration

Closing of Airport Traffic Control Tower at Valdosta Regional Airport, Valdosta, GA

Notice is hereby given that on or about September 4, 1986, the Airport Traffic Control Tower at Valdosta Regional Airport, Valdosta, Georgia,

will be closed. Services to the general aviation public of Valdosta, Georgia, formerly provided by this office, will be provided by a Non-Federal Tower operated by the City of Valdosta, Georgia. Valdosta Flight Service Station in Valdosta, Georgia, will continue to provide airport advisory service during those hours the tower is closed. Moody Air Force Base Radar Approach Control in Valdosta, Georgia, and Jacksonville Air Route Traffic Control Center in Hilliard, Florida, will continue to provide approach control service. This information will be reflected in the FAA Organization Statement the next time it is issued.

Issued in Atlanta, Georgia, on August 20, 1986.

William M. Berry, Jr.,

Acting Director, Southern Region.

[FR Doc. 86-19552 Filed 8-28-86; 8:45 am]

BILLING CODE 4910-13-M

National Highway Traffic Safety Administration

[Docket No. IP85-18; Notice 2]

Graco Metal Products, Inc.; Grant of Petition for Determination of Inconsequential Noncompliance

This notice grants the petition by Graco Metal Products, Inc. of Elverson, Pennsylvania to be exempted from the notification and remedy requirements of the National Traffic and Motor Vehicle Safety Act (15 U.S.C. 1381 *et seq.)* for an apparent noncompliance with 49 CFR 571.213 Motor Vehicle Safety Standard No. 213, *Child Restraint Systems.* The basis of the petition was that the noncompliance is inconsequential as it relates to motor vehicle safety.

Notice of the petition was published on December 4, 1985 and an opportunity afforded for comment (50 FR 49810).

Paragraph S5.2.3.2(b) of Standard No. 213 requires "a thickness of not less than ½ inch for materials having a 25 percent compression-deflection resistance of not less than 1.8 and not more than 10 pounds per square inch when tested in accordance with S6.3. Materials having a 25 percent compression-deflection resistance of less than 1.8 pounds per square inch shall have a thickness of not less than ¾ inch."

Graco Metal Products, Inc. stated that between August 1982 and June 1984, the corporation manufactured and sold approximately 22,600 units of its Little Trav'ler child restraint system. Three different models, 315-T, 310-T and 310-U were sold. NHTSA tested a Little Trav'ler and discovered a failure to meet one of the head impact protection requirements. Due to a misunderstanding with a vendor, the units did not comply with paragraph S5.2.3.2(b). The vendor of the foam was supposed to determine that the foam would meet the requirements of Standard No. 213. The ½ inch foam pad used in the restraint had a 25% compression-deflection resistance of 1.24 pounds per square inch (PSI). The standard requires not less than 1.8 PSI for ½ inch material but allows a lower limit of .5 PSI for ¾ inch material. Graco argued that the noncompliance is inconsequential as it relates to motor vehicle safety because 1.24 PSI ½ inch foam provides significantly greater energy absorption than the .5 PSI, ¾ inch foam acceptable under paragraph S5.2.3.2 of Standard 213. The typical energy absorption for this foam would be about .02 foot-pound per square inch. This calculation is based on a support factor of 2 (ASTM D3574-81 x 3.1) from 0% deflection to 65% deflection which ASTM D3574-8, *Standard Methods of Testing for Flexible Cellular Materials,* indicates is the support region of the stress-strain curve.

The foam erroneously used in the Little Trav'ler child restraints was ½ inch thick with a 25% compression-deflection of 1.24 PSI. Using the same calculations as above the energy absorption would be about .04 foot-pound per square inch. The foam in the Little Trav'ler child restraints has nearly twice the energy absorbing capability of the ¾ inch .5 PSI foam that is acceptable under the standard.

Graco stated that it had not received any complaints with regard to the comfort or protection provided by the padding on the Little Trav'ler child restraints. Graco, therefore, petitioned for a determination that the condition noted herein, is inconsequential as it relates to specific child restraints manufactured by its company.

One comment was received on the petition, from Physicians for Auto Safety, which supported it. The commenter suggested that the noncompliance was a minor one, and that to initiate notification and recall could be counterproductive as undue publicity could undermine public confidence in the efficacy of child safety seats.

The agency has decided to grant Graco's petition. The agency has reviewed petitioner's arguments and concurs that the material that Graco provided, a ½ inch-thick material with pressure-deflection resistance of 1.24 psi has a higher energy absorption capacity than that provided by the alternative material permitted by the Standard No. 213. Calculations indicate that ½ inch (0.75 psi) material will provide protection equivalent to ¾ inch/0.5 psi material. Although petitioner's test value of 1.24 psi is less than the standard requires, it provides greater protection than the standard's alternative. It is therefore found that petitioner has met its burden of persuasion that the noncompliance herein described is inconsequential as it relates to motor vehicle safety and its petition is hereby granted.

(Sec. 102, Pub. L. 93-492, 88 Stat. 1470 (15 U.S.C. 1417); delegations of authority at 49 CFR 1.50 and 49 CFR 501.8)

Issued on: August 25, 1986.

Barry Felrice,

Associate Administrator for Rulemaking.

[FR Doc. 86-19560 Filed 8-28-86; 8:45 am]

BILLING CODE 4910-59-M

[Docket No. IP86-04; Notice 2]

Sears, Roebuck and Co.; Grant of Petition of Sears Roebuck and Co. for Determination of Inconsequential Noncompliance

This notice grants the petition by Sears, Roebuck and Co., of Chicago, Illinois, to be exempted from the notification and remedy requirements of the National Traffic and Motor Vehicle Safety Act (15 U.S.C. 1381 et seq.) for an apparent noncompliance with 49 CFR 571.109 Motor Vehicle Safety Standard No. 109 *New Pneumatic Tires.* The basis of the grant is that the noncompliance is inconsequential as it relates to motor vehicle safety.

Notice of receipt of the petition was published on March 12, 1986, and an opportunity afforded for comment (51 FR 8613).

Paragraph S4.3(d) of Federal Motor Vehicle Safety Standard No. 109, *New Pneumatic Tires,* requires that:

> Each tire shall have permanently molded into both sidewalls, in letters and numerals not less than 0.078 inch high . . . The generic name of each cord material used in the plies (both sidewall and tread area) of the tire.

The petitioner discovered that its supplier, Michelin Tire Corporation, had manufactured approximately 3,325 tires under its brand name Sears Roadhandler P195/75R14, between August 2 and September 1, 1985, that were incorrectly labeled. The tread material indicated on one sidewall was "2 polyester plies + 2 Fiberglass plies" instead of "2 polyester plies + 2 steel plies." The other sidewall was correctly labeled.

Of the approximately 3,325 tires produced approximately 2,250 were

shipped to Sears outlets and most of them have been sold. The labeling on the remaining 775 has been corrected by Michelin.

Michelin Tire Corporation, Sears' supplier, argued that:

> This noncompliance is inconsequential as it relates to motor vehicle safety. Even if a consumer were to read the incorrect labeling and mix these steel belted tires on a vehicle with tires that actually had fiberglass belt material, an unsafe situation could not be created because the tires would be compatible. Michelin, as well as the rest of the tire industry, does not have any restrictions on mixing radial tires of different materials on a vehicle.

No comments were received on the petition at the conclusion of the comment period.

The agency recognizes that variations in cornering forces result from the use of different tread and sidewall materials, but Michelin has designed its fiberglass belted radial tires to be compatible with its steel belt radial tires. Therefore mixing the two types of tires is unlikely to have any effect upon safety, and a customer who purchases one of the mismarked tires obtains a tire with safety equivalent to the tire that he thought he was buying. However, the general admonition against mixing radial and bias ply tires remains, a caveat that exists independent of the Sears noncompliance with the marking requirements.

Accordingly, petitioner has met its burden of persuasion that the noncompliance herein described is inconsequential as it relates to motor vehicle safety, and its petition is hereby granted.

(Sec. 102, Pub. L. 93–492, 86 Stat. 1470 (15 U.S.C. 1417); delegations of authority at 49 CFR 1.50 and 49 CFR 501.8)

Issued on: August 25, 1986.

Barry Felrice,

Associate Administrator for Rulemaking.

[FR Doc. 86–19561 Filed 8–28–86; 8:45 am]

BILLING CODE 4910–59–M

DEPARTMENT OF THE TREASURY

Customs Service

Change in Tariff Classification System

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Notice of change in Tariff Classification System.

SUMMARY: Classification of imported merchandise for rate of duty and statistical purposes is determined presently in the U.S. by reference to the Tariff Schedules of the United States (TSUS). The U.S. intends to replace the TSUS on January 1, 1988, by acceding to the International Convention on the Harmonized Commodity Description and Coding System (HS). The HS is a multipurpose nomenclature, intended to be used to describe and classify goods in international trade for customs purposes, for reporting all import and export trade statistics, and eventually for freight and transport documentation. In view of the fundamental differences between the TSUS and HS coding schemes, Federal agencies are advised that all regulations, directives, forms, etc., which presently incorporate TSUS item numbers or references to TSUS provisions, must be revised to conform with the new U.S. tariff prior to its implementation on January 1, 1988.

FOR FURTHER INFORMATION CONTACT: Hubbard L. Volenick, International Nomenclature Staff, 202–566–8530.

SUPPLEMENTARY INFORMATION:

Background

The Harmonized System (HS) is the culmination of a 10 year effort by the member states of the Customs Cooperation Council (CCC), particularly the U.S. and its major trading partners, to develop a single modern structure for product classification which can be used for customs, tariff, trade statistics, and transport documentation purposes. Based on the present Customs Cooperation Council Nomenclature (CCCN), the HS is a more detailed classification scheme reflecting changes in technology, trade patterns and user requirements.

In August 1981, the President requested the U.S. International Trade Commission to initiate an investigation for the purpose of preparing a conversion of the Tariff Schedules of the U.S. (TSUS), the current reference source for determining the classification of imported merchandise, into the structure of the HS. The conversion provides numerical coding beyond the 6-digit categories of the international system, taking into account U.S. tariff and statistical requirements. Thus, each tariff provision is coded in 8-digits and the tariff reporting number in 10-digits.

This conversion, submitted to the President on June 30, 1983, was reviewed and revised by the Trade Policy Staff Committee, Office of U.S. Trade Representative, and republished as TPSC 84–76 on September 30, 1984. A further, more comprehensive, revision will be made in October 1986 and this will be the basic working document aimed at U.S. adoption of the HS.

The HS Convention was opened for signature July 1, 1983, and thus far has been signed by 45 countries and customs unions, five without reservation of ratification. The U.S. is expected to sign, subject to ratification by the Congress, in the spring of 1987.

In February 1986, the meeting of the General Agreement on Tariffs and Trade (GATT) Tariff Concessions Committee in Geneva resulted in the firm political commitments of the U.S., Canada, Japan, the European Community, the Nordic countries and Switzerland, to a January 1, 1988, date for entry into force of the International Convention on the HS.

Purpose of Harmonized System

The HS is a multipurpose nomenclature, intended to be used to describe and classify goods in international trade for customs purposes, for reporting all import and export trade statistics, and eventually for freight and transport documentation. Its use is expected to increase uniformity and predictability of trade data, and promote standardization of trade and transport documentation. Implementation of the HS will impact not only all areas of trade, *i.e.*, imports, exports, transportation of goods, and trade statistics, but all aspects of customs operations, including classification and appraisement of merchandise selection for and examination of merchandise data entry into the Automated Commercial System (ACS) and the pre-release and release of goods. Brokers and importers will experience significant changes to their entry procedures.

Action Requested of Other Agencies

Customs directives, regulations, informational publications and forms are all being revised to conform with the proposed new commodity classification system. Federal agencies currently using TSUS item numbers in any of their publications are advised to take appropriate steps to amend their publications prior to the entry into force of the HS-based tariff system on January 1, 1988. Customs is prepared to work with those agencies which require assistance in bringing their publications into conformity with the new tariff and will provide additional information on request.

Alfred R. De Angelus,

Acting Commissioner of Customs.

Approved: August 13, 1986.

Michael H. Lane,

Acting Assistant Secretary of the Treasury.

[FR Doc. 86–19609 Filed 8–28–86; 8:45 am]

BILLING CODE 4820–02–M

VETERANS ADMINISTRATION

51-Bed Nursing Care Addition, Oklahoma State Veterans Center, Talihina, OK; Finding of No Significant Impact

The Veterans Administration (VA) has assessed the potential environmental impacts that may occur as a result of the proposed construction of a 51-bed nursing care addition at the Oklahoma State Veterans Center at Talihina, Oklahoma. The approximate cost of this project is $3.075 million, inclusive of contingencies, professional design services and inflation at the time of construction.

Construction related traffic may cause disruption of nearby traffic flow. In addition, construction noise associated with the development of the new facility is likely to cause annoyance to residents within the area. The impact of dust and fumes that will exist during construction will be of short effect lasting only during that phase of project development. In relation to both construction and operation, the new facility will be built in accordance with applicable Federal, State and local air quality standards.

The significance of the identified impacts has been evaluated relative to the considerations of both context and intensity, as defined by the Council on Environmental Quality (Title 40, CFR 1508.27).

This Environmental Assessment has been performed in accordance with the requirements of the National Environmental Policy Act Regulations, §§ 1501.3 and 1508.9, Title 40, Code of Federal Regulations. A "Finding of No Significant Impact" has been reached based on the information presented in this assessment.

The assessment is being placed for public examination at the Veterans Administration, Washington, DC. Persons wishing to examine a copy of that document may do so at the following office:

Director, Office of Environmental Affairs, Room 653, Veterans Administration, 810 Vermont Avenue, NW., Washington, DC 20420 (202/389-3544). Questions or requests for single copies of the Environmental Assessment may be addressed to the above.

Date: August 21, 1986.

Thomas K. Turnage,

Administrator.

[FR Doc. 86-19573 Filed 8-28-86; 8:45 am]

BILLING CODE 8320-01-M

Privacy Act of 1974; Report of Matching Program

AGENCY: Veterans Administration.

ACTION: Notice of Matching Program-Veterans Indebtedness Records with United States Postal Service Personnel File.

SUMMARY: The Veterans Administration is providing notice that the Department of Veterans Benefits will conduct a series of recurring computer matches of VA compensation, pension, education, rehabilitation and home loan default indebtedness records with U.S. Postal Service Personnel File.

The goal of these matches is to identify active Postal employees, who are indebted to the Veterans Administration under the compensation, pension, education and rehabilitation benefit programs or resulting from home loan defaults. The purpose of the match is to initiate salary offset in the collection of unpaid obligations to the VA.

DATE: It is anticipated that the matches will commence in approximately February 1987.

FOR FURTHER INFORMATION CONTACT: Mr. Dan Osendorf, Department of Veterans Benefits (20D), Veterans Administration, 810 Vermont Avenue NW, Washington, D.C. 20420, area code 202-389-5213.

SUPPLEMENTARY INFORMATION: Further information regarding the matching program is provided below. This information is required by paragraph 5.f.(1) of the Revised Supplemental Guidance for Conducting Matching Programs, issued by the Office of Management and Budget (47 FR 21656, May 19, 1982). A copy of this notice has been provided to both Houses of Congress and the Office of Management and Budget.

Approved: August 22, 1986.

Thomas K. Turnage,

Administrator.

Report of Matching Program: Veterans Administration Compensation, Pension, Education, Rehabilitation and Home Loan Default Indebtedness Records and United States Postal Service Personnel File.

a. *Authority:* The Debt Collection Act of 1982, Pub. L. 97-365.

b. *Program Description.*

(1) *Purpose.* The Veterans Administration, Department of Veterans Benefits, plans to match indebtedness records for veterans and their dependents with the Records Office of the United States Postal Service, to identify active Postal employees, who are indebted to the Veterans Administration. The purpose of the match is to initiate salary offset when all other collection actions have been unsatisfactory.

(2) *Procedures.* A match will be made of VA debt records with the USPS Personnel File. The match will be performed by the VA, Department of Veterans Benefits. In order to conduct a match, the VA will request that USPS provide computerized extracts of their Record Office Personnel File containing names, identifying data and record descriptions. When necessary to resolve the identity of debtors who may be listed in USPS records, the VA will conduct appropriate, independent inquiries. This match will be repeated periodically.

In the event of a "hit", i.e., the determination through the matching program that a debtor appears on USPS files as a Postal employee, the identity of the debtor will be verified by the VA. If confirmed, the information will be referred by the VA for action to recover the outstanding debt(s) by salary offset, when all other collection actions have been pursued and have been unsatisfactory.

c. *Records to be Matched.* A computer extract list from the following systems of records will be matched with USPS Records Office Personnel File:

58VA21/22/28—Compensation, Pension, Education and Rehabilitation Records-VA; Privacy Act Issuances, 1984 Comp., Volume V, pages 738-741; as amended at 50 FR 10886, March 18, 1985; 50 FR 26875, June 28, 1985; 50 FR 31453, August 2, 1985; 51 FR 24781, July 8, 1986 and 51 FR 25142, July 10, 1986. The disclosure of information from this system of records, for the purpose of the matching program, is permitted by a published routine use.

55VA26—Loan Guaranty Home, Condominium and Manufactured Home Loan Application Records, Specially Adapted Housing Applicant Records and Vendee Loan Applicant Records—VA; Privacy Act Issuances, 1984 Comp. Volume V, pages 734-736 and amended at 51 FR 24781, July 8, 1986. The disclosure of information from this system of records, for the purpose of the matching program, is permitted by a published routine use.

d. *Period of Match.* Intermittently from approximately February 1987.

e. *Safeguards.* Records used in the matches and data generated as a result, will be safeguarded from unauthorized disclosure. Access will be limited to those persons who have a need for the information in order to conduct the matches or follow-up actions. All of the

material will be stored in locked containers when not in use. The matching files to be used in this project will remain under the control of the Department of Veterans Benefits. The matching file will be used and accessed only to match files in accordance with this notice. It will not be used to extract information concerning "non-hit" individuals for any purpose. It will not be disseminated outside the Department of Veterans Benefits unless authorized by the Chief Benefits Director.

f. *Retention and Disposition.* Records not resulting in "hits" will not be used by the VA for any purpose. Records not resulting in "hits" will be destroyed by burning, shredding or electronic erasing within two months of the completion of the individual matches. Records resulting in "hits" will be retained by the Department of Veterans Benefits until the completion of any necessary administrative, collection or legal action and will then be disposed of in accordance with approved records control schedules and/or approved disposition authority from the Archivist of the United States.

[FR Doc. 86-19613 Filed 8-28-86; 8:45 am]

BILLING CODE 8320-01-M

Sunshine Act Meetings

Federal Register
Vol. 51, No. 168
Friday, August 29, 1986

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

CONTENTS

1

FEDERAL DEPOSIT INSURANCE CORPORATION

Changes in Subject Matter of Agency Meeting

Pursuant to the provisions of subsection (e)(2) of the "Government in the Sunshine Act" (5 U.S.C. 552b(e)(2)), notice is hereby given that at its open meeting held at 2:00 p.m. on Tuesday, August 26, 1986, the Corporation's Board of Directors determined, on motion of Chairman L. William Seidman, seconded by Director C.C. Hope, Jr. (Appointive), concurred in by Director Robert L. Clarke (Comptroller of the Currency), that Corporation business required the addition to the agenda for consideration at the meeting, on less than seven days' notice to the public, of the following matter:

Application of Citizens Thrift and Loan Association, Irvine, California, an insured thrift and loan association, for consent to purchase certain assets of and assume the liability to pay deposits made in U.S. Thrift and Loan, Sacramento, California, a non-federally insured institution, and for consent to establish the four operating offices of U.S. Thrift and Loan as branches of Citizens Thrift and Loan Association.

Recommendation regarding the liquidation of a bank's assets acquired by the Corporation in its capacity as receiver, liquidator, or liquidating agent for those assets:

Case No. 46,643-L
The First National Bank of Midland, Midland, Texas

By the same majority vote, the Board further determined that no earlier notice of these changes in the subject matter of the meeting was practicable.

Dated: August 27, 1986.

Federal Deposit Insurance Corporation.
Margaret M. Olsen,
Deputy Executive Secretary.
[FR Doc. 86-19728 Filed 8-27-86; 2:41 pm]
BILLING CODE 6714-01-M

2

FEDERAL DEPOSIT INSURANCE CORPORATION

Change in Subject Matter of Agency Meeting

Pursuant to the provisions of subsection (e)(2) of the "Government in the Sunshine Act" (5 U.S.C. 552b(e)(2)), notice is hereby given that at its closed meeting held at 2:30 p.m. on Tuesday, August 26, 1986, the Corporation's Board of Directors determined, on motion of Chairman L. William Seidman, seconded by Director C. C. Hope, Jr. (Appointive), concurred in by Director Robert L. Clarke (Comptroller of the Currency), that Corporation business required the withdrawal from the agenda for consideration at the meeting, on less than seven days' notice to the public, of a recommendation regarding the Corporation's corporate activities.

The Board further determined, by the same majority vote, that no earlier notice of the change in the subject matter of the meeting was practicable.

Dated: August 27, 1986.

Federal Deposit Insurance Corporation.
Margaret M. Olsen,
Deputy Executive Secretary.
[FR Doc. 86-19729 Filed 8-27-86; 2:41 PM]
BILLING CODE 6714-01-M

3

FEDERAL RESERVE SYSTEM BOARD OF GOVERNORS

TIME AND DATE: 11:15 a.m., Wednesday, September 3, 1986.

PLACE: Marriner S. Eccles Federal Reserve Board Building, C Street entrance between 20th and 21st Streets, NW., Washington, DC 20551.

STATUS: Closed.

MATTERS TO BE CONSIDERED:

1. Personnel actions (appointments, promotions, assignments, reassignments, and salary actions) involving individual Federal Reserve System employees.
2. Any items carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE INFORMATION: Mr. Joseph R. Coyne, Assistant to the Board; (202) 452-3204. You may call (202) 452-3207, beginning at approximately 5 p.m. two business days before this meeting, for a recorded announcement of bank and bank holding company applications scheduled for the meeting.

Dated: August 26, 1986.

James McAfee,
Associate Secretary of the Board.
[FR Doc. 86-19322 Filed 8-26-86; 4:21 pm]
BILLING CODE 6210-01-M

4

SECURITIES AND EXCHANGE COMMISSION

Agency Meetings

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of September 1, 1986:

A closed meeting will be held on Wednesday, September 3, 1986, at 2:30 p.m. An open meeting will be held on Thursday, September 4, 1986, at 10:00 a.m., in Room 1C30.

The Commissioners, Counsel to the Commissioners, the Secretary of the Commission, and recording secretaries will attend the closed meeting. Certain staff members who are responsible for the calendared matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at a closed meeting.

Commissioner Cox, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matter of the closed meeting scheduled for Wednesday, September 3, 1986, at 2:30 p.m., will be:

Settlement of administrative proceedings of an enforcement nature.
Institution of injunctive actions.
Settlement of injunctive actions.
Administrative proceedings of an enforcement nature.
Institution of administrative proceedings of an enforcement nature.

The subject matter of the open meeting scheduled for Thursday, September 4, 1986, at 10:00 a.m., will be:

1. Consideration of whether to propose for public comment amendments to the Commission's financial responsibility rules involving the treatment of repurchases and reverse-repurchase agreements by registered broker-dealers. Securities Exchange Act Rule 17a–3 would be amended to specifically require broker-dealers to maintain certain books and records with respect to their repurchase and reverse-repurchase transactions. Securities Exchange Act Rule 17a–13 would be amended to specifically require broker-dealers to physically examine and count securities retained that are subject to repurchase and reverse-repurchase agreements and to account for and verify those securities not in its possession. Securities Exchange Act Rule 15c3–3 would be amended to require broker-dealers that agree to retain securities subject to repurchase agreements to disclose the rights and liabilities of the parties, that the Securities Investor Protection Corporation has taken the position that coverge under the Securities Investor Protection Act of 1970 may not be available to the contra party, and to maintian such securities free of any lien. Securities Exchange Act Rule 15c3–1 would be amended to require a broker-dealer to deduct from net worth in computing net capital certain amounts that relate to repurchase and reverse repurchase agreements where the broker-dealer is in a deficit position. Rule 15c3–1 would be amended to raise the net capital required of a broker-dealer that obtains substantial leverage as a rsult of reverse-repurchase agreements. Rule 15c3–1 would be further amended to provide that any receivable from an unregistered affiliate be deducted from net worth, unless the affiliate makes available its books and records to the Commission and its Designated Examining Authority. For further information, please contact Michael P. Jamroz at (202) 272–2398 or Michael A. Macchiaroli at (202) 272–2904.

2. Consideration of whether to adopt Rule 202(a)(1)–1 under the Investment Advisers Act of 1940 which would deem a transaction not resulting in a change of actual control or management of an investment adviser not to be an "assignment" requiring approval of the adviser's clients. For further information, please contact A. Thomas Smith III at (202) 272–2031.

3. Consideration of whether to propose for public comment Rule 206(4)–4 under the Investment Advisers Act of 1940 which would codify an investment adviser's fiduciary obligation to disclose material financial and disciplinary information to clients. For further information, please contact Thomas S. Harman or Debra Kertzman at (202) 272–2107.

4. Consideration of whether to issue a permanent conditional opinion and order by the Commission, pursuant to section 9(c) of this Investment Company Act of 1940 ("Act"), exempting E.F. Hutton & Company Inc. and The E.F. Hutton Group Inc. from the statutory bar contained in Section 9(a) of the Act as a result of their filing an application on which an adminsitrative hearing, limited to written submissions, has been ordered. For futher information, plese contact Meryl Dewey at (202) 272–2799 or George Martinez at (202) 272–3024.

At times changes in Commission priorities require alterations in the scheduling of meeting items. For futher information, please contact Meryl Dewey at any, matters have been added, deleted or postponed, please contact: Jacqueline Higgs at (202) 272–2149.

Jonathan G. Katz,

Secretary.

August 25, 1986.

[FR Doc. 86–19708 Filed 8–27–86; 12:26 pm]

BILLING CODE 8010–01–M

5

TENNESSEE VALLEY AUTHORITY

"FEDERAL REGISTER" CITATION OF PREVIOUS ANNOUNCEMENT: 51 FR 166 (August 27, 1986).

PREVIOUSLY ANNOUNCED TIME AND DATE OF MEETING: 9 a.m. (edt), Friday, August 29, 1986.

PREVIOUSLY ANNOUNCED PLACE OF MEETING: TVA West Tower Auditorium, 400 West Summit Hill Drive, Knoxville, Tennessee.

STATUS: Open.

ADDITIONAL MATTER: The following item is added to the previously announced agenda:

Old Business Items

4. Supplement to Personal Services Contract No. TV–67471A with Management Analysis Company, San Diego, California, requested by the Office of Nuclear Power.

CONTACT PERSON FOR MORE INFORMATION: Craven H. Crowell, Jr., Director of Information, or a member of his staff can respond to requests for information about this meeting. Call 615–632–8000, Knoxville, Tennessee. Information is also available at TVA's Washington Office, 202–245–0101.

SUPPLEMENTARY INFORMATION:

TVA BOARD ACTION

The TVA Board of Directors has found, the public interest not requiring otherwise, that TVA business requires the subject matter of this meeting be changed to include the additional item shown above and that no earlier announcement of this change was possible.

The members of the TVA Board voted to approved the above findings and their approvals are recorded below:

Dated: August 26, 1986.

Approved:

C. H. Dean, Jr.,

Director and Chairman

John B. Waters,

Director.

[FR Doc. 86–19671 Filed 8–27–86; 10:12 am]

BILLING CODE 8120–01–M

federal register

Friday
August 29, 1986

Part II

Federal Home Loan Bank Board

12 CFR Parts 543, 546, 562, 563, 563b, and 574

Conversions From Mutual to Stock Form and Acquisitions of Control of Insured Institutions; Proposed Rule

FEDERAL HOME LOAN BANK BOARD

12 CFR Parts 543, 546, 562, 563, 563b, and 574

[No. 86-856]

Conversions From Mutual to Stock Form and Acquisitions of Control of Insured Institutions

Date: August 15, 1986.

AGENCY: Federal Home Loan Bank Board.

ACTION: Proposed Rule.

SUMMARY: The Federal Home Loan Bank Board ("Board") is proposing to adopt several amendments to its regulations governing mutual-to-stock conversions of insured institutions. The purposes of the proposed amendments are to encourage insured institutions to undertake standard conversions and to enable more institutions that fail to meet their regulatory capital requirement or are insolvent to convert to stock form and raise new capital using the modified or voluntary supervisory conversion procedures. The amendments also seek to provide a degree of increased protection to newly converted institutions from changes in control that may disrupt the transition into the stock form of ownership and the prudent deployment of conversion proceeds, to address issues relating to the purchases of stock by management of converting institutions in conversions and thereafter, to provide additional incentives for institutions to participate in merger conversions with insolvent institutions, to make more attractive the voluntary supervisory and modified conversion processes to management of insured institutions and potential acquirers, and to enhance the efficiency of processing of modified and voluntary supervisory conversions.

The Board also is proposing to adopt certain amendments to its regulations governing the acquisition of control of an insured institution in order to conform provisions of those rules with changes proposed in the Conversion Regulations.

The current proposal is an expanded and revised version of an earlier proposal which is being withdrawn, although this current proposal incorporates a number of the provisions contained in the earlier proposal. The purposes of the provisions from the earlier proposal that are incorporated herein are to clarify several of the policies and interpretations of the Board relating to the voluntary supervisory conversion process, to expedite the processing of voluntary supervisory conversion and modified conversion applications, and to facilitate the voluntary supervisory and modified conversion procedures and encourage their use by insured institutions as capital-raising tools.

DATE: Comments must be received by September 29 1986.

ADDRESS: Send comments to Director, Public Information Services Branch, Office of the Secretariat, Federal Home Loan Bank Board, 1700 G Street NW., Washington, DC 20552. Comments will be available for public inspection at the above address.

FOR FURTHER INFORMATION CONTACT: Dean V. Shahinian, Attorney, (202) 377-7289; R. Penfield Starke, Deputy Director for Special Projects, (202) 377-6453; J. Larry Fleck, Associate General Counsel for Conversions, (202) 377-6413; or Julie L. Williams, Deputy General Counsel, Director, (202) 377-6459; Corporate and Securities Division, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street NW., Washington, DC 20552.

SUPPLEMENTARY INFORMATION: By Resolution No. 85-938 dated October 17, 1985, the Federal Home Loan Bank Board, as operating head of the Federal Savings and Loan Insurance Corporation ("Corporation" or "FSLIC"), proposed several amendments to its regulations governing voluntary supervisory conversions and modified conversions of mutual insured institutions to stock form ("first proposal"). *Voluntary Supervisory Conversions and Modified Conversions*, 50 FR 45414 (Oct. 31, 1985). The proposed amendments were intended to clarify several of the policies and interpretations of the Board's regulations relating to the voluntary supervisory conversion process, to expedite the processing of voluntary supervisory conversion and modified conversion applications, and to facilitate the voluntary supervisory and modified conversion procedures and encourage their use by insured institutions as capital raising tools.

Upon further consideration, the Board is withdrawing the first proposal in favor of this expanded and revised proposal. The Board believes that the expanded scope and revisions are appropriate in light of the Board's experience with the mutual-to-stock conversion process, and in particular, the experience of three years since the conversion regulations were last comprehensively revised. The primary purposes of this current proposal are to encourage insured institutions to undertake mutual-to-stock conversions; enable more insured institutions that fail to meet their regulatory capital requirement or that are insolvent to undertake modified or voluntary supervisory conversions; address issues relating to purchases of stock by management of converting institutions in the conversion and thereafter; re-examine anti-takeover measures available to converting institutions; and through a variety of means, streamline the processing of voluntary supervisory and modified conversions.

I. Background

A. General

The Board, as operating head of the Corporation, has broad authority to authorize mutual-to-stock conversions of insured institutions under sections 5(i) (1) and (2) of the Home Owners' Loan Act of 1933 ("HOLA"), 12 U.S.C. 1464(i)(1), (2) (1982), and section 402(j) of the National Housing Act ("NHA"), 12 U.S.C. 1725(j) (1982). Sections 5(i) (1) and (2) provide, respectively, that subject to the rules and regulations of the Board, any institution which is, or is eligible to become, a Federal Home Loan Bank ("FHLB") member may convert itself into a federal savings and loan association or federal savings bank, and simultaneously or subsequently may convert from mutual to stock form; and that any federally chartered association may convert from the mutual to stock form of organization. Section 402(j) of the NHA provides that mutual insured institutions may convert to federally or state-chartered stock form only in accordance with the rules and regulations of the Board.

Section 121 of the Garn-St Germain Depository Institutions Act of 1982 ("Garn-St Germain Act"), which added paragraph (p) to section 5 of the HOLA, 12 U.S.C. 1464(p) (1982), enhanced the Board's conversion authority under sections 5(i) (1) and (2) of the HOLA and section 402(j) of the NHA. Section 121 of the Garn-St Germain Act empowered the Board in certain circumstances to preempt other provisions of federal and state law in order to authorize, and in the case of a federally chartered insured institution, to require, the conversion of a FSLIC-insured savings and loan association or savings bank, from mutual to federal stock form; or to charter a federal stock savings and loan association or federal stock savings bank to acquire the assets of, or merge with, a mutual institution under the rules and regulations of the Board. The Board's conversion authority under section 5(p) of the HOLA arises only if (1) the institution is in receivership, (2) the Corporation has contracted to

provide assistance to the institution under section 406 of the NHA, or (3) the Board has determined that severe financial conditions exist which threaten the stability of the institution and that such authorization is likely to improve the financial condition of the institution.

Section 5(p) expired July 15, 1986, Pub. L. No. 99-278, 100 Stat. 397 (1986) but the Board has urged the Congress to restore this and several other sections which provide important emergency acquisition authority for the Board. Certain aspects of this proposal have been prepared in the hope that section 5(p) will be restored. Of course, the Board would not act under any regulation or portion thereof whose sole basis was section 5(p) unless, and until, the section was reenacted. The Board notes, however, that while section 5(p) has been an extremely valuable tool, the absence of section 5(p) will not preclude the Board from acting on voluntary conversions. Section 5(i) of the HOLA provides an independent basis for the Board's authority to regulate all types of conversions where the resulting entity is federally chartered, provided that no preemption is required and that the transaction is voluntary on the part of the institution. The Board's authority over conversions of state-chartered institutions pursuant to section 402(j) of the NHA also remains intact.

Part 563b of the Rules and Regulations for the Federal Savings and Loan Insurance Corporation (the "Conversion Regulations"), 12 CFR Part 563b (1986), sets forth the requirements of the Corporation for conversions from mutual-to-stock form of federally-chartered and FSLIC-insured institutions. The Conversion Regulations were promulgated and have been amended by the Board over the years in order to implement its comprehensive conversion authority under sections 5(i) (1) and (2) of HOLA, section 402(j) of NHA, as well as 5(p) of HOLA.

Under the Conversion Regulations, as previously noted, there are three basic types of conversions: standard, voluntary supervisory, and modified conversions. Subpart A of the Conversion Regulations, 12 CFR 563b.1 through 563b.10, establishes the rules and procedures applicable to standard conversions to stock form of mutual institutions. In a standard conversion an institution's accountholders and voting members are given the first right to subscribe for conversion stock, to be followed by a community or public offering of any stock that is unsubscribed. Purchases by directors and officers and their "associates" in the aggregate are limited to between 25 and 35 percent of the total offering, determined on a sliding scale depending upon the asset size of the institution. Generally, no person together with any associate or group of persons acting in concert may purchase more than 5% of the conversion stock.

Subpart C of the Conversion Regulations, 12 CFR 563b.20 through 563b.33, specifies the qualifications for and the rules and procedures applicable to voluntary supervisory conversions of insured institutions from the mutual to the stock form of organization. Institutions that are insolvent on the basis of regulatory accounting principles or are projected to be so within 12 months, may be eligible to undertake a voluntary supervisory conversion. In voluntary supervisory conversions, based upon a determination that there is no realizable equity value remaining for the mutual members, the substantive and procedural rights granted to members in converting mutual insured institutions by the Board's standard conversion rules under Subpart A are eliminated. Accordingly, the members of the insured institution converting to stock form on a voluntary supervisory basis are not afforded rights of approval or participation, and upon completion of the conversion have no continuing legal or beneficial ownership interest in the converted insured institution. Currently, in order for the Board to authorize a voluntary supervisory conversion, an insured institution must satisfy all of the following criteria, which are set forth in § 563b.23 of Subpart C: (1) As to a federally-chartered insured institution, the Board has the power to appoint a receiver for the purpose of liquidation, or, as to a state-chartered insured institution, the Board would have the power to appoint a receiver for the purpose of liquidation were the institution federally-chartered; (2) Upon liquidation, there would be no equity value realizable by the mutual accountholders; (3) The insured institution is in receivership, or the Corporation has contracted to provide assistance to the insured institution under section 406 of the NHA, or the Board has determined that severe financial conditions exist which threaten the financial condition of the insured institution; and (4) The insured institution would be a viable entity under § 563b.26 of Subpart C following the conversion.

Subpart D of the Conversion Regulations provides guidelines for modified conversions to stock form. Modified conversions generally are available to institutions that fail to meet their regulatory net worth requirement, but do not "qualify" for a voluntary supervisory conversion, and that demonstrate that they would be unable to sell their stock in a standard conversion. In a modified conversion, the substantive and procedural rights granted to members of mutual institutions converting under Subpart A are limited but not eliminated. Modified conversions may be effected without the approval of members, must involve sales of conversion stock at an aggregate price in excess of the *pro forma* market value of the institution as determined by an independent appraiser, and provide for members' preemptive rights, but subject to limitations. Pursuant to § 563b.36(a), in order to qualify for Board authorization of a modified conversion, an insured institution must meet one of the three previously described conditions derived from section 5(p)(2) of the HOLA. The Board has established the following criteria under § 563b.36(c) of Subpart D for determining the existence of the severe financial conditions portion of such test: (1) Failure of the institution to meet its regulatory capital requirement; (2) Insufficiency of current and projected income from operations to restore and maintain the institution's regulatorily required capital; and (3) A demonstration that a standard conversion would not be feasible.

The Board considers the mutual-to-stock conversion process an extremely valuable structural option available to savings institutions today. Mutual-to-stock conversions infuse new capital into insured institutions, provide an opportunity for needed portfolio restructuring and may be a key to an institution's ability to compete successfully in the modern financial marketplace. Since the advent of the Board's mutual-to-stock conversion program in the mid-1970's, the aggregate amount of such new capital raised exceeds $6 billion, much of that amount raised during the past three and one-half years. The conversion process also has the attraction of increasing an institution's capital in a manner that does not require an institution to rely on increased earnings, a course which may entail increased risk-taking by the institution. Therefore, mutual-to-stock conversions represent a desirable means for increasing capital in the industry.

B. Summary of Current Proposal

While the current proposal incorporates many of the provisions of the first proposal, it differs in a number of significant respects both as to scope and specifics. With respect to Subparts

C and D of the Conversion Regulations, the current proposal would effect a major change in the criteria used by the Board to determine whether an insured institution is in such severe financial condition as to qualify for voluntary supervisory or modified conversion. In particular, the new tests would refer to a generally accepted accounting principles ("GAAP") rather than regulatory accounting principles ("RAP") standard of insolvency or regulatory capital compliance in the case of both voluntary supervisory and modified conversions, and would provide an alternative approach to the requirement for the amount of capital that must be infused in a voluntary supervisory conversion. The tests for determining whether an institution qualifies for a voluntary supervisory or modified conversion would be substantially simplified to refer to more easily ascertainable objective standards of financial condition and specified legal structural requirements. The revisions also would revise the processing of voluntary supervisory and modified conversion applications to centralize the process in the Board's Office of General Counsel ("OGC"), as is now the case with standard and modified conversions. As is also now the case with standard conversions and modified conversions, authority to approve supervisory conversions would be delegated to OGC, except in cases involving a significant issue of policy. Various components of supervisory and modified conversions, such as a business plan, would be subject to approval by the appropriate FHLB and/or the Office of Examinations and Supervision or its successor, the Office of Regulatory Policy, Oversight and Supervision ("ORPOS"). Authority to approve holding company applications and change in control notices that accompany voluntary supervisory and modified conversions would continue to be delegated to be appropriate FHLB or ORPOS, with the concurrence of OGC, in accordance with the delegation standards set forth in § 574.8 of the Board's Acquisitions of Control Regulations.

With respect to Subpart A, the current proposal would revise the criteria for consideration of applications involving an acquisition of the securities of converted institutions within three years after conversion, to require an affirmative showing that a proposed acquisition would be beneficial to the institution, its depositors, and the FSLIC. Changes are also proposed to address issues relating to the purchases of stock by management, employees and various types of employee stock benefit plans in the conversion and thereafter. In addition, the current proposal would grant to stock institutions that undertake merger conversions with insolvent institutions post-conversion anti-takeover protection derived from the converting insured institutions. The term of such protection would be determined on the basis of the asset size of the converting insolvent institution and, potentially, other factors. The proposed changes also would attempt to facilitate merger conversions by providing an exception to the aggregate conversion stock purchase limitations applicable to officers and directors of the existing insured stock institution and their associates in merger conversions.

The proposal also defines the term "acting in concert," as used in the conversion stock purchase limitations, and clarifies that the rebuttable presumptions of concerted action set forth in § 574.4(d) of the Board's Acquisitions of Control Regulations apply to conversion stock purchases by any person together with any associate or group of persons acting in concert. Certain clarifying amendments also are proposed to be made to the provisions of the regulations dealing with the liquidation account established by converted institutions in order to address questions that have arisen recently regarding the transferability of such account if the converted institution merges, dissolves into, or is otherwise absorbed by a non-FSLIC insured institution.

Finally, the Board also is taking this opportunity to propose several amendments to its Acquisitions of Control Regulations to conform with certain of its proposed revisions to the Conversion Regulations.

C. Summary of Comments Received on the First Proposal

In response to the first proposal, the Board received two public comment letters, one from a law firm and one from a trade association. The law firm advocated clarifying the language of the amendment to the voluntary supervisory conversion regulation, proposed § 563.25(a), to preclude an interpretation that an investor would be required to infuse capital in an amount necessary to increase the institutions's GAAP capital to at least the level required by Bank Board regulations plus loan losses previously deferred under regulatory accounting principles.

The trade association commended the Board's efforts to facilitate the use of conversions by removing "needless regulatory restrictions" and supported many aspects of the proposal, including: allowing the sale of stock in a voluntary supervisory conversion to be made as part of a public as well as a nonpublic offering; adoption of the FDIC capital criteria to determine the eligibility of FDIC institutions to convert; allowing losses on deferred loan sales to be recognized and appraised equity capital to be disregarded in determining whether an institution qualifies to undertake a voluntary supervisory conversion; and the addition of new criteria that the transaction be in the best interests of and not present the potential for injury to, the converting institution, its depositors or the FSLIC.

The trade association raised concerns about three issues. One, it felt that the Board should not condition approval of a supervisory conversion on the maintenance of the capital of the converting institution by its acquirers. Two, it advocated the inclusion of appraised equity capital and the deferral of loan losses in determining the viability of insured institutions. Three, it stated that employment contracts should be encouraged and that a safe harbor rule should be adopted to protect employment contracts of less than three years existing at the time of the conversion.

All of these points have been considered by the Board in connection with the revisions discussed below, however, in large measure, these considerations are rendered moot by the proposed revisions.

II. Proposed Revisions to Subpart A

A. Introduction

The Conversion Regulations reflect an extended effort on the part of the Board to develop a conversion procedure that is equitable to accountholders and insured institutions and which provides an effective capital-raising tool for savings institutions. The Board thus has refined the Conversion Regulations periodically since their adoption in light of its experience with the conversion process and in response to developments in the marketplace, in order to facilitate the standard conversion procedure and enhance its use by insured institutions.

The Board has once again reviewed the standard conversion process to determine additional measures that could be taken to encourage more insured institutions to convert to stock form and to provide an incentive for stock institutions to undertake transactions involving the mutual-to-stock conversion of insolvent institutions. The Board believes that it has identified several provisions of

Subpart A of the Conversion Regulations that may be revised to achieve the above-described goals without conflicting with the guiding equitable principles of the conversion process and the assurance to insured institutions that such procedures can withstand judicial scrutiny. *See York* v. *Federal Home Loan Bank Board*, 624 F. 2d 495 (4th Cir.), *cert. denied*, 449 U.S. 1043 (1980).

B. Anti-takeover Provisions

The Board has reviewed its position regarding the adoption by converting insured institutions of charter provisions that generally make more difficult the acquisition of controlling interests of the institution's stock. Section 563b.3(i)(7) currently allows a converting or newly converted institution to include in its stock charter, for a specified period of time after conversion not to exceed five years, any or all of the provisions specified in § 552.4(b)(8). The full availability of these charter provisions to state-chartered insured institutions will depend upon state law.

Under § 552.4(b)(8), federal institutions are authorized for a specified period to eliminate cumulative voting, limit the right of shareholders to call special meetings of shareholders relating to changes in control or to amending the converted institution's charter, and, most fundamentally, to restrict the acquisition of more than 10 percent of the converted institution's stock. Following conversion, a state-chartered insured institution may adopt any anti-takeover charter provision that would be permitted to be adopted by an institution chartered by the state in which the converted institution is chartered, and a federally chartered insured institution may adopt any such charter provision permitted under § 552.4 of this Chapter. Section 552.4 currently employs a state law standard for determining the permissibility of anti-takeover charter provisions.

The Board notes that the charter provisions that currently may be adopted at the time of conversion are extensive and afford substantial protection against changes in control of converting and newly converted institutions. The Board also is concerned that extending the maximum time period that these anti-takeover provisions may remain in effect without shareholder ratification beyond five years could have a deleterious effect on the ability of the institution to market its conversion stock, the amount of capital raised in the conversion and the liquidity of the institution's stock after conversion. The Board also is aware that institutions that want to maintain the anti-takeover charter amendments for a period of time longer than five years generally have been able to do so after submitting the provisions to their shareholders for a vote after conversion.

The Board therefore is not at this time proposing any amendment to § 563b.3(i)(7), but rather is requesting comment on whether the types of anti-takeover charter provisions that may be included in an institution's charter at the time of conversion should be expanded, and if so, according to what standard. The Board also seeks comment on whether the current five-year maximum life for anti-takeover provisions implemented at conversion should be extended. The Board is conscious of the balancing process inherent in allowing expanded anti-takeover charter provisions at the time of conversion, and thus for commenters advocating the availability of broader or longer term anti-takeover provisions, commenters are specifically requested to provide analyses and data on the effect of such changes on conversion stock prices and the ability of institutions to access capital markets after conversion.

C. Restrictions on Offers To Acquire and Acquisitions of Converted Institutions

Section 563b.3(i)(3) of the Conversion Regulations prohibits, for a period of three years following the date of the completion of an insured institution's conversion, any person, directly or indirectly, from offering to acquire or acquiring the beneficial ownership of more than 10 percent of any class of the institution's equity securities without the prior written approval of the Corporation. Section 563b.3(i)(6) sets forth six general grounds for Corporation denial of an application involving offers to acquire or acquisitions of the securities of converted institutions and generally requires the Board to make a finding that the acquisition would be detrimental to the institution under one or more of those standards in order for the application to be denied.

The Board is proposing to revise section 563b.3(i)(6) to require a prospective acquirer of a recently converted institution in addition to affirmatively demonstrate that a proposed acquisition would be beneficial to the converted institution, its depositors, and the FSLIC. By placing the burden on the acquirer to make an affirmative showing regarding the beneficial effects of a proposed acquisition, the Board believes the standard will operate more appropriately to reasonably ensure that changes in control of newly converted institutions do not disrupt the institution's efforts to adjust to its reorganization into stock form and prudently deploy its conversion proceeds.

The Board also is proposing to amend § 563b.3(i)(3) to include within the scope of the rule the holding of revocable and/or irrevocable proxies under specified circumstances that have been regarded as providing the proxy holder with the potential to exert effective control over significant aspects of an institution's operations and management. The Board has already recognized in the Acquisition of Control Regulations that a holder of proxies can exert the same type of control in matters of shareholder voting as the owner of shares. The inclusion of proxies therefore parallels § 574.4 of the Acquisitions of Control Regulations. Thus, the holding of revocable and/or irrevocable proxies would be subject to § 563b.3(i)(3) only in the same circumstances that holding of such proxies would give rise to a conclusive or rebuttable control determination under § 574.4 (a) and (b), respectively.

The Board specifically requests comments on all these changes.

D. Purchases by Management, Employees and, Employee Stock Benefit Plans

1. Purchases at the Time of Conversion

a. *Introduction.* A number of issues have arisen regarding the application of certain provisions of the Conversion Regulations and other regulations to employee stock benefit plans such as employee stock ownership plans ("ESOPs"). An ESOP, for example, is an employee stock benefit plan designed to invest primarily in an employer's stock, principally by using tax-deductible contributions made to the ESOP under the terms of the plan. The Congress in a series of laws has "made clear its interest in encouraging employee stock ownership plans as a bold and innovative method of strengthening the free enterprise system which will solve the dual problems of securing capital for necessary capital growth and of bringing about stock ownership by all corporate employees." *See* Tax Reform Act of 1976, Pub. L. 94–455, 90 Stat. 1580, 1590, Title VIII, section 803(h). In addition, through various other provisions of the Internal Revenue Code ("IRC"), Congress has identified other types of employee stock purchase plans the public benefits of which have been found to warrant a favorable type of tax treatment (referred to herein as "tax-qualified employee stock benefit

plans"). These include types of pension plans, profit-sharing plans, stock bonus plans and annuity plans.

The Board is proposing amendments to eliminate uncertainty on a variety of issues presented by employee stock benefit plans, and to enhance the ability of officers, directors and employees of an institution to acquire stock when their institution converts, through various types of employee stock benefit vehicles. The Board believes that acquisition of an institution's stock by such plans may provide a means for officials and employees of converting institutions to acquire larger ownership stakes in their institutions upon conversion, without undermining the basic equities of the conversion process. The Board invites comments on all aspects of these proposals, including whether other types of employee benefit plans should be included, and in particular, on the potential impact of increased director, officer and employee purchases through employee plans, on conversion stock prices. The Board also requests comment on whether plans established by an institution's subsidiary for its employees should be accorded the same treatment as a plan established by the institution.

b. *Definition of "Tax Qualified Employee Stock Benefit Plan".* The proposal would add a new paragraph (a)(37) to § 563b.2 to define the terms "tax-qualified employee stock benefit plan" and "non-tax-qualified employee stock benefit plan." A tax-qualified plan would be defined with reference to the types of plans described in section 401 of the IRC. As noted above, this would include types of pension plans, profit-sharing plans, stock bonus plans, and annuity plans. These new definitions would then be used to clarify the treatment of such plans for the purposes of various restrictions on stock purchases imposed by the Conversion Regulations.

The Board notes that tax-qualified employee stock benefit plans generally must comply with various participation, vesting, distribution, and other rules under the IRC designed to protect the interests of all employees. For example, a plan must be in writing, permanent, and communicated to employees, and all provisions essential to qualification must be included in the written plan. The minimum vesting requirements include minimum schedules under which an employee's benefit from employer contributions must accrue and become nonforfeitable and special rules for vesting in the event that the plan is terminated. In addition, these employee stock benefit plans generally must be established for the benefit of employees and also must meet minimum employee participation standards designed to enhance employee participation and prohibit discrimination in favor of employees who are officers, directors, shareholders, or highly compensated employees. Discrimination in favor of persons other than officers, directors, shareholders, or highly compensated employees, such as rank-and-file employees, is not prohibited, however.

c. *Amendment to the definition of "Associate".* The ability of employee stock benefit plans to acquire conversion stock could be substantially affected by the scope of the term "associate." The term "associate" is defined under § 563b.2(a)(4) of the Conversion Regulations to include any trust in which an officer or director services as a trustee or in a similar fiduciary capacity. Thus, the literal application of § 563b.2(a)(4) would require any employee stock benefit plan that retains an officer or director of the insured institution as a plan trustee or similar fiduciary to be considered an "associate" of each such officer or director (and potentially of more than one officer or director), and therefore subject to the various conversion stock purchase priorities and percentage limitations established in the Conversion Regulations, including limitations on the total number of shares that officers, directors, and their associates may purchase both individually and in the aggregate in the conversion stock offering, and to the restrictions set forth in § 563b.3(c)(9) of the Conversion Regulations on post-conversion stock purchases by officers, directors, and their associates.

The Board believes that the application of the term "associate" to employee stock benefit plans in certain of these contexts is neither necessary nor intended in order to accomplish the purposes of the "associate" definition as used in the Conversion Regulations. Therefore, the Board is proposing to amend current § 563b.2(a)(4), redesignated as new § 563b.2(a)(5), and to make corresponding changes to §§ 563b.3 (c)(6), (c)(7), (c)(8), (c)(9), and (d)(5) to clarify when stock held by an employee stock benefit plan will be aggregated with stock purchased by a person or purchased by all officers and directors as a group. In this regard, a distinction is proposed to be made between tax-qualified and non-tax qualified plans. With respect to purchase restrictions that apply to individual purchases, § 563b.3 (c)(6), (c)(7), (c)(9), and (d)(5) would be revised to indicate that, stock held by either a tax-qualified or non-qualified plan would *not* be aggregated to a person who may serve as a trustee or other fiduciary of the plan. With respect to the aggregate director and officer purchase restrictions of § 563b.3(c)(8), however, this section would be revised so that stock held by a qualified plan would not be counted, but stock held by a *non*-qualified plan and attributable to the institution's directors and officers would be counted for purposes of the aggregate management purchase limits set by that section. The Board specifically requests comment with respect to the latter as to whether it is feasible, and if so how, to determine the amount of stock held by a non-qualified plan that would be attributable to employees who are not officers and directors, that would be excluded from the officer and director purchase category.

d. *Purchases of stock in the conversion.* (i) Treatment of tax-qualified plans. The Board is proposing to allow a converting association to provide for a plan allowing any number of separate tax-qualified employee stock benefit plans to purchase, in the aggregate, up to a total of ten percent of the stock offered in the conversion. Such association plans may otherwise limit purchases by any other person together with any associate or group of persons acting in concert to a lesser amount than five percent of the total shares offered in the conversion in accordance with existing provisions of the Conversion Regulations. Tax-qualified employee benefit plans also would be entitled to purchase up to ten percent of the offering regardless of the number of shares purchased by any other party. Thus, if an offering were over-subscribed, the plan's purchases would not be prorated.

Generally, in order for plans to meet the definition of a tax-qualified plan, they must include a broad base of employee beneficiaries. Accordingly, the Board believes that in connection with such plans, the Board's goal of having stock sold in a conversion in a manner that will achieve wide distribution, *see* 12 CFR 563b.3(c)(6)(iii), will not be undermined, even if, for example, an ESOP were to acquire ten percent of the stock sold in the conversion, because stock purchased by the plan is held for the beneficiary employees. However, because employees of the association may also have subscription rights to purchase stock or may desire to purchase stock sold in a community or public offering, the Board is proposing to amend other aspects of its conversion regulations, to recognize the independence of the new ten percent

tax-qualified employee stock benefit plan purchase provision.

The Conversion Regulations currently limit the amount of conversion stock that management officials and their associates may purchase as a group to between 25 and 35 percent of the stock sold in the conversion, depending on the asset size of the converting association. 12 CFR 563b.3(c)(8). If the shares purchased by an employee stock benefit plan were attributed to certain management officials as beneficiaries of such plan, the plan might not be able to purchase a substantial amount of stock without causing management, as a group, to exceed its limitation. Accordingly, the Board is proposing to except purchases by tax-qualified employee stock benefit plans from the aggregate amount that the officers and directors are entitled to purchase under § 563b.3(c)(8) of the Conversion Regulations. Section 563b.3(c)(8) also is being revised to include the formula for calculating permitted share purchases.

In addition to limitations on the purchase by the officers and directors of the association as a group, as already noted, the Conversion Regulations limit the amount of conversion stock that any person including individual officers, directors and employees, may purchase. 12 CFR 563b.3 (c)(6), (c)(7), and (d)(5). The Board is proposing that the shares purchased by employee stock benefit plans—whether or not tax-qualified—that are attributed to an individual employee as a beneficiary of the employee stock benefit plan, not be aggregated with any conversion shares purchased directly by or otherwise attributable to the individual. This treatment would be accomplished by amendments to § 563b.3 (c)(6), (c)(7), (c)(9), and (d)(5) to exclude stock held by an employee stock benefit plan which is attributable to a purchaser. It should be noted, however, that where shares attributable to a person are held by more than one plan, those shares could be separately aggregated to determine if the conversion stock purchase limits were exceeded. As already discussed, an amendment to the definition of "associate" set forth in § 563b.2(a)(4), is also proposed which would provide that an employee stock benefit plan in which a person serves as a trustee or in a similar fiduciary capacity will not be considered an "associate" of such person for purposes of the purchase limitations of § 563b.3 (c)(6), (c)(7), (c)(9), and (d)(5).

Finally, the Board notes that in order to give an employee stock benefit plan an opportunity to purchase shares in certain conversions, that plan must receive subscription rights to purchase conversion stock. The institution's board of directors could obtain a subscription priority status for an employee stock benefit plan under the current conversion regulations merely by opening an account for the employee stock benefit plan with a qualifying balance at the association prior to the eligibility record date. In addition, the Board is proposing to provide in new § 563b.3(c)(23) of the Conversion Regulations an explicit priority for tax-qualified employee stock benefit plans that permits the plan to purchase conversion stock after eligible and supplemental accountholders, but prior to voting members who have subscription rights. In any case, tax-qualified employee stock benefit plans are permitted to acquire, in the aggregate, up to ten percent of the total conversion stock offering without proration in the event of oversubscription.

In a related area, the Board notes that many converting institutions have experienced a significant increase in new accounts being opened in the institutions after they have given notice of their impending conversions. Pursuant to § 563b.3(c)(5) these new account holders become voting members in the conversion and thereby receive the same subscription rights as eligible account holders and supplemental account holders, if applicable, with the exception that they are subordinated to the stock purchase rights of the other account holders. Many converting institutions have advised the Board that these new account holders have disrupted the orderly distribution of their conversion stock and requested that the conversion regulations be revised accordingly. The Board requests commenters to address this issue. Any revision to the stock purchase rights of voting members would separate the rights into a required allotment and an optional allotment to be determined by the converting institution based on the specific circumstances of the conversion.

(ii) Treatment of non-qualified plans. In addition to employee stock benefit plans that receive beneficial tax treatment, associations may desire to devise their own benefit plans. Plans that do not qualify for favorable tax treatment ("non-tax-qualified plans") may vary from tax-qualified plans in several ways. For instance, these plans may allow a concentration of the benefits of the plan to a limited group of the highest compensated employees. Further, non-qualified plans do not provide the same financial benefits to the association, generally failing to obtain a tax deduction for contributions to the plan. The Board notes that the adoption of non-qualified plans that purchase the association's stock nevertheless may foster certain goals related to the conversion process. These plans often enable the association to retain or attract key employees, for example. Accordingly, the Board proposes to amend its conversion regulations to eliminate the uncertainty of the applicability of the conversion regulations to purchases by these plans.

Because such plans need not be broad-based among the employees of the association, the Board proposes to provide no special purchase treatment for the amount of conversion stock each nonqualified plan may purchase. Accordingly, a non-qualified plan would be treated no differently than any other person. Further, because a plan could be structured to benefit primarily top management officials, the stock purchased by such plans would be attributable to the officers and directors of the association to the extent that any such management officials are beneficiaries of the plan, but solely for purposes of determining the amount that officers and directors as a *group* may purchase in the conversion pursuant to § 563b.3(c)(8). As noted previously, the Board specifically requests comments on the feasibility of making this allocation.

On the other hand, the Board recognizes the potential complexity of vesting provisions, which leads to difficulty in fairly attributing precise amounts of stock to specified management officials, as of the time of conversion. Accordingly the Board is proposing to provide that shares attributable to individual beneficiaries of such plans would not be aggregated with shares purchased in the conversion directly by, or otherwise attributable to, such individuals for purposes of § 563b.3 (c)(6), (c)(7), and (d)(5). This is the same treatment as discussed above with respect to tax-qualified plans, and again, it should be noted that where shares attributable to a person are held by more than one plan, these shares could be separately aggregated to determine if the conversion stock purchase limits are exceeded.

The Board also is not proposing to provide non-qualified plans with special subscription rights to purchase conversion stock but notes that, as in the case of qualified plans, management of the association could obtain a priority subscription right for the plan by qualifying the plan as an eligible accountholder. In the case of a non-

qualified plan, however, subscriptions by the plan could be reduced on a pro-rata basis in the same manner as any other subscription, in the event of an oversubscription.

(iii) Financing considerations. The Board also is proposing to amend its Conversion Regulations to clarify an acceptable role of an association in financing the acquisition by an employee stock benefit plan of conversion stock. One of the fundamental premises of the Board's conversion process is the raising of new capital for insured institutions. Thus, the Board wishes to take the opportunity to clarify its position on several issues in this regard. First, a *contribution* of any amount of conversion stock to an employee benefit plan for less than full consideration would be inconsistent with the fundamental premises of the conversion process. Second, the conversion regulations expressly prohibit the converting association from extending credit to any person, which would include an association's own employee stock benefit plan, for the purpose of purchasing conversion stock. 12 CFR 563b.3(i)(22). This requirement also would prohibit an association from guaranteeing an extension of credit to an employee stock benefit plan. (Individual stockholders or officials of the association could guarantee such a loan, however.) As the Board views the primary function of the conversion program as a method of raising capital, it proposes to continue to prohibit any contractual financing obligations from an association to an employee stock benefit plan or to a third party lender to the plan in the conversion context.

Nevertheless, the Board also is aware that employee stock benefit plans constitute a useful means of compensating association employees and that such a plan itself is not capable of generating income sufficient to service the debt it may incur to acquire conversion stock. Accordingly, the Board is proposing in § 563b.3(c)(24) to permit plans of conversion in which the association indicates its intent to make certain scheduled contributions to employee stock benefit plans. Such contributions must be made in the discretion of the association's management. The Board specifically requests comment as to whether it should specify circumstances where contributions would not be permitted, such as, for example, if the overall effect of the contribution would be to cause the association to fail to meet its regulatory capital requirement. Commenters are specifically requested to address the accounting treatment of such a contribution and how it would affect the institution's capital. Of course, plans also must provide for a realistic schedule of payments in light of the historical performance of the association and projected earnings after the conversion. Moreover, management of an association considering the inclusion of employee stock benefit plans in the association's conversion should carefully consider the impact on the marketing of stock in the conversion resulting from the sale of stock to any qualified or non-qualified employee stock benefit plan as well as the financial burdens such a plan may place on the association.

The Board specifically requests comments on the proper role of employee stock benefit plans in the conversion process, including amounts of stock purchased by the plan, the association's role in directly or indirectly financing the acquisition of its own stock and how plans established by service corporations to purchase the stock of the parent institution should be treated.

e. *Post-conversion purchase restrictions applicable to directors and officers.* Section 563b.3(c)(9) sets forth restrictions on the manner in which officers and directors of a converted institution, and their "associates," may acquire additional stock of the institution. Where a director or officer of the institution serves as a trustee of an employee stock benefit plan (or in a similar fiduciary capacity) the plan would be subject to the stock purchase constraints applicable to the director or officer. Moreover, attribution of shares to individual officers and directors, pursuant to vesting provisions of a plan, arguably could also be deemed an acquisition of stock within the scope of the rule.

However, consistent with the approach already discussed above of *not* aggregating employee benefit plans to individual directors or officers for purposes of purchases in the conversion, the Board is proposing to further amend the definition of "associate" to provide that for the purposes of § 563b.3(c)(9), the term "associate" does not include an employee stock benefit plan in which a person serves as a trustee or in a similar fiduciary capacity. In addition, § 563b.3(c)(9) would be amended separately to exclude from its coverage stock that may be attributable to individual officers and directors, acquired pursuant to an employee stock benefit plan. The Board specifically requests comments on whether this latter treatment should only be available to broad-based tax-qualified plans.

Finally, the Board notes that questions have arisen in a related area, regarding the treatment of stock option plans under § 563b.3(c)(9). It is the Board's view that this section was not intended to apply to purchases by officers and directors from a converted institution pursuant to a stock option plan.

f. *Issuer repurchase restrictions.* Section 563b.3(g) of the Conversion Regulations generally prohibits an insured institution, for a period of three years from its conversion, from repurchasing any of its capital stock from any person, except in the case of a repurchase on a pro-rata basis from all stockholders. While the rule, by its terms, applies only to the recently converted institution itself, the Board is aware that the rule may be unclear as to whether purchases by an employee stock benefit plan of the stock of its recently converted sponsor institution may be attributed to the institution and thereby be considered a repurchase subject to the rule. The Board believes that routine purchases by either tax-qualified or non-qualified employee stock benefit plans of amounts of capital stock reasonable and appropriate to fund the plan should not lead to a presumption that impermissible repurchases are being made. Therefore, the Board is proposing to amend § 563b.3(g)(1) to provide that where stock is purchased in such manner, the acquisition would not be considered a "repurchase" by the institution within the scope of the restriction and, thus, the acquisition would not be subject to the issuer repurchase restrictions of § 563b.3(g). The Board also notes in this regard that purchases of newly issued shares from the institution would not be a "repurchase" and thus would not come within the scope of the rule in any case.

g. *Acquisitions of stock of recently converted institutions.* Section 563b.3(i) of the Conversion Regulations generally prohibits any person or persons acting in concert, for a period of three years following the date of completion of the conversion of an insured institution, from offering to acquire or acquiring beneficial ownership of greater than 10 percent of any class of equity securities of that institution without the prior written approval of the Board. The term "person" is broadly defined in the rule to include all forms of entities, including trusts. Thus, employee stock benefit plans are subject to the rule's requirements if their holdings exceed the current regulatory thresholds.

The Board is concerned that subjecting an employee stock benefit plan to the requirements of § 563b.3(i)(3)

may make unnecessarily more difficult routine purchases by an employee stock benefit plan of capital stock of its converted sponsor institution to fund the plan, since the plan must seek the prior written approval of the Board to offer to acquire or acquire greater than 10 percent of the stock or rebut the presumption of concerted action before it makes such an offer or acquisition. As discussed above, the Board believes that employee stock benefit plans may provide an incentive to an institution's management and employees to perform their duties effectively and, thus, offer a potential benefit to the FSLIC. Therefore, the Board is proposing to revise § 563b.3(i) by adding a new subsection (5)(v) to exempt from the applicability of the rule any one or more tax-qualified employee stock benefit plans (as proposed to be defined in § 563b.2(a)(37)), provided the plans have beneficial ownership in the aggregate of a total of not more than 25 per cent of any class of stock of the recently converted institution.

A key issue for this purpose is when a plan will be deemed to beneficially own the institution's stock. Section 563b.3(i) refers to but does not define beneficial ownership. Rather, it incorporates the term "beneficial ownership" as defined in Rule 13d–3 under the Securities Exchange Act of 1934 ("Exchange Act"), 17 CFR 240.13d–3. Generally, beneficial ownership for purposes of the Exchange Act, and thus also for purposes of § 563b.3(i), includes voting power, which involves the power to vote shares, *or* the power to dispose or to direct the disposition of shares, *or* the right to dividends and/or proceeds in liquidation, *or* the right to acquire beneficial ownership within sixty days, such as by exercise of an option, warrant or conversion right, and also reaches schemes designed to avoid the definition of beneficial ownership.

Thus, vesting, as well as pass-through voting provisions, would affect the total number of shares attributable to the employee stock benefit plan only if other factors also were present. In this regard, shares vested with plan participants which carry pass-through voting rights and over which the employee stock benefit plan does not otherwise retain *any* of the abovementioned indicia of beneficial ownership would not be included for purposes of the proposed exemption to the rule's 10 percent threshold. However, if the employee stock benefit plan does retain some form of control or legal ownership, as described above, such as dispositive power, all those shares would be considered beneficially owned by the employee stock benefit plan. (It should also be noted that such shares could *also* be deemed to be beneficially owned by the employees that also possess indicia of beneficial ownership, *e.g.*, voting rights.)

The Board also notes that the term "person" encompasses those parties or entities who may be considered for purposes of the rule to be a "group acting in concert." The term "acting in concert," which is defined in § 563b.3(i)(8)(v), is comprehensive and is intended to encompass, among other things, conscious parallel action towards a common goal of offering to acquire or acquiring the stock of an insured institution. As a mixed question of law and fact, action in concert may be established directly through available factual information or by means of a presumption that is based on the legal or familial relationships between the parties, or both. In certain circumstances, acting in concert may be presumed from business relationships where a fiduciary relationship and dual ownership of an insured institution's stock exist. For example, where a person or other entity acts as a trustee over a trust, and both the trustee and the trust have certain interests in or relationships with an insured institution, the inference is raised that they are acting in concert with respect to stock each owns in the insured institution. In particular, the fiduciary duties that a trustee owes to the trust lead to the presumption that they act in concert, since it is unlikely that the trustee could fulfill those duties while voting independently of the trust. The Board had codified the rebuttable presumption of action in concert between a trust and trustee in the context of the acquisition of control of an insured institution under the Holding Company Act and Change in Savings and Loan Control Act ("Control Act"), 12 U.S.C. 1730(q), in its Acquisitions of Control Regulations. In some circumstances, however, it may be possible to rebut the presumption of concerted action by demonstrating on a clear and convincing basis that the decisions by the trustee with respect to stock held in its own account, or similarly, stock held as trustee for another trust or other fiduciary accounts, are made independently of decisions as trustee for a specific trust.

Under the current rules, the shares of an institution held by the trustee of an employee stock benefit plan would be presumed by the Board to be aggregated with the shares of the institution held by the plan itself in determining whether the 10 percent threshold of § 563b.3(i) has been exceeded by either the institution or the ESOP trustee. In other words, stock held by an employee stock benefit plan trustee for its own account or as a trustee or in some other fiduciary capacity with respect to trust or fiduciary accounts other than the employee stock benefit plan presumptively would be aggregated with the stock held by the plan in assessing whether the rule's threshold has been met or exceeded, subject to rebuttal.

The proposed amendment to § 563b.3(i) exempts a taxqualified employee stock benefit plan from the rule's approval requirements up to a 25 percent level, relaxing the limitation but not mooting the issue of whether the employee stock benefit plan and trustee's stock should be aggregated for purposes of determining whether the rule's threshold has been exceeded. To clarify this area, the Board proposes to revise the term "acting in concert" in § 563b.3(i)(8)(v) by deleting this section, defining the term in § 563b.2(a)(1) to incorporate the definition of § 574.2(c), and modifying § 574.2(c)(3) to provide that, *solely* for the purpose of determining whether stock held by the trustee and stock held by the plan will be aggregated, a *tax*-qualified employee stock benefit plan will not be deemed to act in concert with its trustee or a person who serves in a similar fiduciary capacity. It should be noted, however, that this does *not* mean that two different plans having the same trustee or other fiduciaries in common, or otherwise connected, could not be found to be acting in concert and their holdings aggregated for purposes of § 563b.3(i)(3) or the Acquisitions of Control Regulations. Finally, the Board notes that for purposes of § 574.2(c), and accordingly as would apply also in the conversion context under the present proposal, members of the board of directors of an institution are not deemed to act in concert solely as a result of their director status.

2. Application of the Holding Company Act and the Acquisitions of Control Regulations

a. *To purchases by employee stock benefit plans.* Acquisitions of control of stock from insured institutions generally are governed by either the Control Act or the Holding Company Act. The Holding Company Act prohibits any "company" directly or indirectly or acting in concert with one or more persons from acquiring "control" of an insured institution (or holding company) without the prior written approval of the Board. For purposes of this restriction, the term "company" is broadly defined to include any corporation, partnership,

trust, joint stock company, or similar organization. Thus, an employee stock benefit plan, as a type of trust, is subject to the Holding Company Act if it acquires an amount of stock (or takes other actions) that would constitute control under the Holding Company Act or the Board's Acquisitions of Control Regulations thereunder.

Under the Board's recently adopted Acquisitions of Control Regulations, a plan's purchases of stock would be subject to the requirement of obtaining prior approval under the Holding Company Act in various situations. For example, control is conclusively determined to exist upon the acquisition of ownership, control, or the power to vote more than 25 percent of a class of voting stock of an insured institution (or holding company), or where a company controls in any manner the election of directors of an insured institution. Control also is determined to exist, subject to rebuttal, where a company acquires more than 10 percent of a class of voting stock of an institution, when such stock ownership is combined with specified "control factors."

In determining the amount of shares subject to the numerical "control" criteria, the Board notes certain issues regarding aggregation of stock that may arise. For example, as discussed in part II.C.1.g., above, shares of the institution held by trustees of the plan presumptively would be aggregated with those of the plan, subject to rebuttal, to determine whether the control threshold has been met. In order for regulations governing similar concepts to be consistent, the Board is proposing to amend the rebuttable presumption of concerted action set forth in § 574.4(d)(6) of the Acquisitions of Control Regulations to provide that solely for the purposes of determining whether to combine the holdings of a plan and its trustee (or fiduciary), a tax-qualified employee stock benefit plan will not be deemed to act in concert with its trustee or a person who serves in a similar fiduciary capacity. As already noted in the context of the comparable treatment under the Conversion Regulations, this does *not* mean that two plans having the same trustee or other fiduciaries in common would not be presumed to act in concert, since persons (in this case, the two plans) are presumed to act in concert where they both act in concert with the same third person. 12 CFR 574.4(d)(7). In such cases, the Board would consider rebuttals of the presumption of action in concert on a case-by-case basis.

A related issue is whether in employee stock benefit plans with pass-through voting provisions, shares allocated to employees with pass-through voting rights or other "sterilization" plans, *i.e.*, plans which provide that unallocated shares are voted on pass-through basis in proportion to allocated share voting, should be included. Under the Holding Company Act, as in the Conversion Regulations, the definition of control is broad and includes all means of beneficial or equitable ownership. Accordingly, the Board believes that all shares held by an employee stock benefit plan, regardless of any pass-through voting provisions (except for shares actually distributed to employees under the distribution terms of the plan), should be counted as being held by the plan for purposes for determining whether the Holding Company Act is applicable.

However, consistent with its proposal to amend the Conversion Regulations, the Board also is proposing to revise § 574.3(c) by adding a new paragraph (c)(1)(vi) to exempt from the Board's review process under the Holding Company Act acquisitions of up to 25 percent of a class of an institution's stock by a tax-qualified employee benefit plan. This amendment is consistent with the Board's proposed revision to § 563b.3(i) to exempt from its prior approval requirements offers to acquire and acquisitions of not more than 25 percent of a class of a newly converted institution's stock by a tax-qualified employee stock benefit plan. The proposal would not affect either the requirement of approval of a holding company application where an employee stock benefit plan (or plans deemed to be acting in concert) intends to acquire more than 25 percent of a class of an institution's voting stock, or the treatment of non-tax-qualified plans.

b. *Delegation of authority.* The Board is taking this opportunity to amend its standards for delegation of authority for approval of acquisitions of insured institutions to reflect a recent regulatory development. Currently, the Principal Supervisory Agent ("PSA") is authorized to approve or deny any holding company application to acquire control of an insured institution, a notice of change of control or a merger application unless, *inter alia* certain filings under the Securities Exchange Act of 1934 ("Exchange Act") are required to be made within the Board. 12 CFR 546.2(i)(1)(i); 563.22(f)(1)(i), 574.8(a)(1)(i). In adopting this standard, the Board stated that "review of such acquisitions can be done more efficiently in the same office where the Exchange Act filings of such institutions are reviewed." 50 FR 48711 (Nov. 26, 1985).

Since the Board adopted these delegation standards, it has adopted in final form securities offering disclosure regulations applicable to all insured institutions. *See* 12 CFR Part 563g. The procedures of new Part 563g require review and clearance of offering circulars in connection with specified types of public offerings of securities by the Board's Office of General Counsel in a fashion similar to materials filed under the Exchange Act. Accordingly, in order to clarify any uncertainty that may exist in this area, the Board is proposing to amend its delegation of authority standards in §§ 546.2(i)(1)(vi), 563b.22(f)(i)(vi) and 574.8(a)(i)(v) to remove authority from the PSA to approve merger or holding company applications or to clear notices of change in control, if in connection with such transactions, an offering circular is required to be reviewed and cleared by OGC pursuant to Part 563g of the Board's regulations.

E. Merger Conversions With Insolvent Insured Institutions

The Board proposes to amend § 563b.10(c) of the Conversion Regulations in order to encourage voluntary supervisory merger conversions with any mutual institution that is qualified to undertake a supervisory conversion. The Board believes that this aspect of the current proposal could assist the FSLIC in resolving a number of its significant supervisory cases. Specifically, the proposed amendment would grant to the resulting stock institution up to three-years' post-conversion protection regarding offers to acquire or acquisitions of more than 10 percent of any class of the institution's stock, depending upon the converting institution's asset size. The applicable time period would be one year of coverage in the case of an insolvent mutual institution with less than $100 million in total assets; two years for an institution with assets in the $100 million to $500 million range; and three years for an institution with more than $500 million in total assets. The three categories are designed to reflect the time needed to assimilate insolvent institutions of differing sizes and to provide appropriate periods of adjustment for acquisitions of different magnitudes. Total assets would be calculated as of the end of the most recently concluded quarter of the converting institution prior to filing of the voluntary supervisory merger conversion application. The Board notes

that, as currently proposed, the availability of this treatment need not be limited to existing stock institutions. The Board specifically requests comments as to whether, under this provision, a company should be permitted to charter an interim institution for the purpose of acquiring another institution in a voluntary supervisory merger conversion and thereby come within the scope of the post-conversion acquisition rule. The Board also requests commentators to address whether this application of § 563b.3(i)(3) in a supervisory-merger conversion should be optional for the acquiring party.

The proposal would not allow the acquiring stock institution to cumulate the post-conversion protection derived from the acquisition of a financially ailing or insolvent institution. In other words, the § 563b.3(i)(3) post-conversion acquisition features would last for up to three years from the most recent acquisition of an institution in a supervisory merger conversion. The Board specifically requests comment on conditioning the availability of the full three-year period on the relative sizes of the acquiring institution and the institution to be acquired; on determining the date on which asset size should be measured; and on whether the relative size of the insolvent institution in its market area should be incorporated as a factor used to calculate the appropriate period of coverage under § 563b.3(i)(3).

F. Purchase Limitations for Officers, Directors, and Their Associates in Merger Conversions

The Board also is proposing to amend § 563b.3(c)(8) of the Conversion Regulations to provide an exception to the aggregate conversion stock purchase limitations for officers, directors, and their associates in merger conversions undertaken pursuant to § 563b.10(c). Specifically, the proposal would exclude the pre-merger percentage of stock ownership of the officers and directors of an existing stock institution that undertakes a merger conversion with a mutual institution in calculating the aggregate amount which may be purchased by officers and directors in connection with the merger conversion.

Under current § 563b.3(c)(8), the aggregate amount of stock that officers, directors, and their associates may purchase in a conversion is limited to a sliding scale of between 25 and 35 percent based upon the total asset size of the converting institution. In a standard merger conversion, the accountholders and voting members of the converting institution receive preemptive rights to subscribe for stock of the existing stock institution. Thus, the purchase limitations of § 563b.3(c)(8), which apply to officers and directors of the existing stock institution and their associates who purchase its stock, could have the effect of preventing those persons—if their aggregate stock ownership equals or exceeds the specified percentage purchase limitations—from purchasing additional stock in the merger conversion, even where such purchases were designed merely to preserve their previous percentage ownership.

It is the Board's belief that some existing insured stock institutions may not have pursued merger conversions for this reason. Therefore, the Board believes that by permitting additional purchases the proposed amendment to § 563b.3(c)(8) would encourage use of the merger-conversion procedure as a capital-raising tool for insured institutions.

G. Definition of "Acting In Concert"

Sections 563b.3(c)(6), 563b.3(c)(7), and 563b.3(d)(5) establish percentage limitations on the amount of stock a person together with any associate or group of persons acting in concert may purchase in the conversion and various stages of the conversion. Since the recent adoption of its Acquisitions of Control Regulations, the Board and its staff have received inquiries regarding the relationship of the rebuttable presumptions of concerted action set forth in § 574.4(d) to the conversion stock purchase limitations.

The Board is taking this opportunity to propose a revision to § 563b.2 of the Conversion Regulations, to add a new paragraph (a)(1), which would incorporate the definition of "acting in concert" established in § 574.2(c) of the Acquisitions of Control Regulations and apply it to the entire Part 563b, and delete the definition of "acting in concert" in § 563b.3(i)(8)(v) which would become superfluous. The Board believes that in this regard the converting insured institution and its counsel should take appropriate steps to ensure that conversion stock purchase limitations and the requirements of the Acquisitions of Control Regulations are not exceeded by groups of persons acting in concert in connection with conversion stock purchases.

H. Use of Media Advertisements, Sales Literature and Other Forms of Publicity in Connection With the Offer and Sale of Conversion Stock

The Board also is taking this opportunity to address and clarify certain questions which have arisen with respect to the use of media advertisements, sales literature, and other forms of publicity by converting institutions to promote a conversion stock offering to prospective investors. In addressing these issues, the Board seeks to provide guidance to converting institutions for charting compliance with the Board's Conversion Regulations and also to alleviate any confusion which may have existed previously.

The Board notes that concerns regarding compliance with the Board's Conversion Regulations have arisen in two respects in connection with the use of media advertisements, sales literature and other forms of publicity, during the mutual-to-stock conversion process: first, publicity which may constitute premature proxy soliciting material in connection with the vote of the mutual members of the thrift on the conversion to stock form; and second, information which may prematurely "offer" the conversion stock by means of prohibited communications. For example, media advertisements, sales literature or other forms of publicity used by a converting institution *prior* to the Board's approval of its proxy soliciting materials may constitute proxy soliciting materials required to be filed with the Board and cleared prior to its use, pursuant to § 563b.5(b) of the Board's Conversion Regulations.[1] In addition, § 563b.5(e) specifically requires that any additional proxy soliciting material furnished to association accountholders *subsequent* to furnishing the proxy statement regarding the proposed conversion (including soliciting material in the form of media presentations such as press releases, and radio or television scripts) must be filed with the Board for review at least five business days prior to the date on which the FHLBB is requested to authorize the use of such material.[2] As with proxy material required to be filed with and cleared by the Board prior to use pursuant to § 563b.5(b), failure to file such additional solicitation materials with the Board prior to use would constitute a violation of the Board's Conversion Regulations.

Second, media advertisements, sales literature and other forms of publicity also may constitute conversion stock

[1] 12 CFR 563b.5(b). Section 563b.2(a)(30) of the Board's Conversion Regulations broadly defines the terms "solicitation" and "solicit" to refer to "(i) any request for a proxy whether or not accompanied by or included in a form of proxy; (ii) any request to execute, not execute, or revoke a proxy; or (iii) the furnishing of a form of proxy or *other communication to association members under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy.*" (emphasis added). 12 CFR 563b.2(a)(30).

[2] See 12 CFR 563b.5(e).

offering materials which are required to be filed with and cleared by the Board prior to use. Materials which "offer" conversion stock must be accompanied or preceded by a conversion offering circular declared effective by the Board. In this regard, the broad definition of "offer" in the Board's Conversion Regulations [3] generally has been interpreted to cover a wide variety of forms of media or written communication disseminated by a converting institution at any time during the mutual-to-stock conversion process. However, the Board's staff has taken the position that a notice, containing basic information concerning a proposed offering which meets the requirements of Rule 135 under the Securities Act of 1933 ("Securities Act")[4] will not be considered offering material for this purpose and thus, may be used prior to clearance of an offering circular.

In order to provide guidance in this area, the Board is proposing to revise its regulation governing the offer and sale of securities, § 563b.7, and add a new § 563b.7(a)(2), which would prohibit any offer or sale of securities in a mutual-to-stock conversion under Part 563b, unless: (1) The offer or sale is accompanied or preceded by an offering circular filed with and declared effective by the FHLBB; *or* (2) An exemption from the offering circular requirement is available. The rule would, however, provide exemptions from this restriction for three types of communications which would not be deemed to be an "offer" for this purpose, which, as such, closely track the requirements under the Board's securities offering regulations at Part § 563g,[5] and also are similar to the disclosure rules under the federal securities laws: (1) Any notice of the proposed offering, used prior to the filing of an offering circular, which meets the requirements of Rule 135 under the Securities Act; (2) Oral offers after the filing of an offering circular; and (3) Any notice, circular, advertisement, letter or other communication which meets the requirements of Securities Act Rule 134,[6] which is used after the filing of an offering circular.

In addition, notwithstanding the general prohibition on offers and sales prior to the effective date of an offering circular, a preliminary offering circular would be permitted to be used for an offer, but not a sale, of a security prior to the effective date of the offering circular if the preliminary version has been filed with the Board, includes the information required to be contained in the final offering circular except for the omission of pricing information and matters dependent thereon, and the offering circular that ultimately is declared effective by the Board is furnished to a purchaser prior to, or simultaneously with, the sale of the security. This provision also tracks the Board's securities offerings regulation.[7] Finally, in order to provide interpretive guidance in this area so that proxy soliciting materials will not be subjected unnecessarily to the Part 563b offering circular requirements, the Board generally will consider information regarding the proposed conversion stock offering which does not exceed the disclosure requirements of either Rule 135 or § 563b.4(a)(3)(ii) of the Board's Conversion Regulations [8] not to be subject to the offering circular requirements.

I. Liquidation Account

The Board is aware that questions have arisen regarding the assumability or transferability of the liquidation account required to be established in non-supervisory conversions, and whether various types of transactions constitute complete liquidations for the purposes of payout of the liquidation account. Without seeking to address all the situations where such a distribution may or may not be required, the Board is proposing to modify § 563b.3(f)(3), to clarify its view that the term "complete liquidation" is not meant to include a merger, consolidation, bulk sale of assets or similar transaction with a FSLIC-insured institution. The current proposal provides that in the event of a merger, consolidation, bulk sale of assets, or similar transaction, with another FSLIC-insured institution, but not in the event of a complete liquidation, the liquidation account shall be assumed by the surviving insured institution. The Board intends by this approach to reserve the ability to address on a case-by-case basis other situations that may not be found to constitute a complete liquidation and, upon application and having determined that appropriate safeguards are available, to permit transfer and assumption of a liquidation account. The Board notes that a variety of transactions might be deemed to constitute a complete liquidation for this purpose and is aware that the staff has raised the issue that a merger, consolidation, or equivalent transaction with a non-FSLIC-insured institution should be deemed to be a complete liquidation for this purpose.

J. Underwriter Consulting Fee

The Board is aware that questions recently have arisen regarding the compensation paid to underwriters for various services they may render in connection with a conversion. The Board notes that a converting institution often must enter understandings with underwriters to sell conversion stock in a public offering before the institution knows how many shares will be sold in the subscription offering, or whether all shares will be sold by subscription and a public offering will not occur. In the event that all shares are subscribed and no public offering occurs, the underwriter would earn nothing in commissions and only be reimbursed for out-of-pocket expenses, which has been interpreted to include reasonable compensation for time spent by employees and officers of the underwriting firm prior to the stock offering. However, the institution may be obligated to pay certain underwriter consulting fees. The regulations do not address the issue of an acceptable level of expenses under these circumstances. Accordingly, the current proposal includes an amendment to § 563.b.7(e) which would allow the payment of a consulting fee, determined by the Board or its delegate to be reasonable under the circumstances, to an underwriter in the event that all shares are sold prior to the public offering and no public offering occurs.

III. Proposed Revisions to Subpart C

A. Introduction

In proposing revisions to Subpart C, the Board has sought to streamline the processing of voluntary supervisory conversions and thereby to substantially increase the number of voluntary supervisory conversions that may be accomplished. In its review of both the

[3] Section 563b.2(a)(22) of the Board's Conversion Regulations, in pertinent part, defines the terms "offer" "offer to sell" or "offer to sale" to include "every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security, for value." 12 CFR 563b.2(a)(22).

[4] 17 CFR 230.135.

[5] *See* 12 CFR 563g.1, 563g.3.

[6] *See* 17 CFR 230.134.

[7] *See* 12 CFR 563g.2(c)(1)–(3).

[8] *See* 12 CFR 563b.4(a)(3)(ii). Section 563b.4(a)(3)(ii) of the Board's Conversion Regulations generally permits an association to issue a press release immediately subsequent to adoption of a plan of conversion, announcing such action. However, the nature and extent of information which may be presented in such a press release is extremely limited. In this regard, the rule sets forth an exclusive "laundry list" of disclosure items; the press release must contain only (but need not contain all of) the information items set forth in the list, which predominantly is limited to factual information regarding the conversion proposal, rights of accountholders and required regulatory approvals. The rule also provides that the press release need not be filed with the FHLBB prior to its use, but may be submitted to the FHLBB's Office of General Counsel for review. *Id.*

completed and pending voluntary supervisory conversions, the Board and its staff repeatedly have been confronted with questions not clearly answered in Subpart C, such as the permissibility of employment contracts incident to a voluntary supervisory conversion, the amount of expenses an insured institution may incur in connection with a voluntary supervisory conversion, the components of a voluntary supervisory conversion application, the nature of the consideration given by the Board to the character and financial condition of the prospective conversion stock purchasers and other features of the transaction, and the eligibility of FDIC-insured savings banks for voluntary supervisory conversion under Section 112 of the Garn-St Germain Act. 12 U.S.C. 1464(o) (1982). As it did in the first proposal, the Board currently is proposing to amend Subpart C to clarify its interpretations and policies regarding these matters, in order to facilitate compliance with voluntary supervisory conversion procedures, expedite applications processing, and encourage the use of the voluntary supervisory conversion procedure as a method of raising enhancing capital levels in the industry.

In addition, the Board is proposing, as it did in the first proposal, to amend Subpart C to remove the requirement that the offer and sale of capital stock in a voluntary supervisory conversion must constitute a non-public offering. The Board believes that the potential risk to the institution of a failure to complete the conversion through the sale of conversion stock to the public is outweighed by the need to provide mutual insured institutions with the maximum appropriate flexibility to structure a plan of voluntary supervisory conversion in the most effective manner. Of course, such a public offering would be fully subject to the disclosure requirements established by the Conversion Regulations.

In the first proposal, the Board proposed to amend Subpart C to clarify its policies and interpretations regarding the acceptable treatment for appraised equity capital, net-worth certificates, deferred losses, and supervisory forebearances in determining whether an insured institution is in a sufficiently weakened financial condition to qualify for a voluntary supervisory conversion. Upon reconsideration, the Board is proposing a more comprehensive change to the threshold qualification standards which would moot many of the issues presented by the first proposed changes.

Specifically, the Board is proposing to revise the tests it uses to determine whether an institution qualifies for voluntary supervision conversion by substantially simplifying the tests. The current standards in § 563b.23 would be replaced with a two-part test. First, is the institution insolvent on a GAAP basis? Second, would the institution be "viable," as redefined in the rule, after conversion? All other aspects of the current tests would be eliminated.

The Board believes that reference to GAAP is a more appropriate standard to measure the existence of any realizable equity value of an institution for its mutual account holders. Unlike regulatory capital, which is a measure of the financial buffer to the FSLIC, GAAP provides the best picture of whether there would be any realizable equity value to the mutual account holders in the event of a liquidation of the institution. In this respect, the Board believes that use of GAAP is fully consistent with the Board's longstanding concerns to ensure the equitability of the conversion process, and would not result in the taking of any property interest of an institution's mutual account holders. Thus, the Board believes that in the context determining the participation afforded mutual account holders in a conversion, a GAAP financial measure would be appropriate, while regulatory capital standards continue to be appropriate for determining the need for supervisory intervention and related exposure of FSLIC resources. The Board specifically requests comment on this change in the threshold qualification standard for supervisory conversions, including whether the applicable standard should be the lesser of GAAP or RAP capital, or whether the standard should refer to tangible capital only.

In addition, the Board is aware that by determining insolvency on a GAAP basis, significantly more mutual insured institutions will be eligible to undergo a voluntary supervisory conversion, which can be an attractive conversion procedure from the perspective of both management and potential acquirers. Generally, management and prospective investors may be more interested in undertaking a mutual-to-stock conversion if they can be assured of where control of the institution will reside after the conversion. The voluntary supervisory conversion procedure provides such assurance since the transaction can be voluntary, and a purchaser or purchasers (who may include the institution's management) may acquire all of the conversion stock.

The Board believes that requiring insured institutions to be evaluated in accordance with GAAP will best serve the public interest. Analyzing the financial strength of insured institutions on this basis also provides the Board with a more consistent basis for comparing the financial statements filed by all insured institutions. Because of the predominant role of GAAP in the public disclosure and reporting of other financial institutions as well as other entities in the business community, financial information prepared in accordance with GAAP should provide the Board a more consistent, comprehensive basis to monitor the performance and soundness of the industry. This should also enhance industry stability by providing the Board with an additional yardstick to assess and address supervisory concerns.

The Board also has reconsidered the application of the criteria used to determine whether a converted institution will be a viable entity following the voluntary supervisory conversion, and is proposing to revise the existing viability standard, as well as that proposed in the first proposal, to substantially simplify the test, and to provide an alternative viability standard. The alternative viability standard would permit a lesser initial capital infusion but would place a greater burden on the acquirer to increase the institution's capital levels in the future or risk the imposition of severe supervisory measures. Reliance on the alternative viability standard would be deemed to present issues of policy requiring approval by the Board itself, rather than by use of delegated authority.

The Board is proposing additionally to streamline the processing of voluntary supervisory conversion applications and, thus it is expected, to expedite the conversion procedure by centralizing the processing in OGC, as is now the case with both standard and modified conversions. In this connection, the Board proposes to delegate authority to approve voluntary supervisory conversion applications to OGC, with specified input from OES and the appropriate FHLB, except in cases where the application presents significant issues of law or policy. In the latter case, the application would be considered by the Board itself. Clearance by OES and/or the appropriate FHLB for various components of the application, such as the infusion of non-cash assets or the proposed business plan, would be required. In addition, the authority to approve holding company applications and change in control notices that accompany supervisory conversion

applications would continue to be delegated to the appropriate FHLB or to OES with the concurrence of OGC, under the delegation standards set forth in the Board's Acquisition of Control Regulations. With these proposed changes, the Board hopes to expedite the conversion approval process by better defining the review and approval roles of its various Offices and the FHLBs, and thereby enable functions necessary for approval of conversions to be accomplished concurrently. Finally, the Board is taking this opportunity to again propose adoption of certain other technical amendments to Subpart C. Because of the extent of the changes proposed to Subpart C, the revised subpart is set forth in its entirety in the proposal.

B. Scope of Subpart C

The Board has generally regarded the Conversion Regulations as applicable to all institutions that satisfy the definition of an "insured institution" under its rules, which, unless the context otherwise requires, includes federal savings banks insured by the Federal Deposit Insurance Corporation ("FDIC") and chartered by the Board under section 112 of the Garn-St Germain Act. 12 CFR 563b.2(a)(1) and 561.1 (1985), 12 U.S.C. 1464(o) (1982). Consistent with a similar recent amendment to the modified conversion rules under Subpart D, *see* 12 CFR 563b.34(a), 563b.36(b) (1985), the Board is proposing to revise § 563b.20 of Subpart C to clarify its applicability to mutual-to-stock conversions under section 5(o)(2)(F) of the HOLA (to the extent the section is in effect), as well as to sections 5(i) (1) and (2) and 5(p) of the HOLA (to the extent the latter is in effect), and section 402(j) of the NHA, and to revise current § 563b.23, which would be redesignated as § 563b.25, to specify the eligibility of FDIC-insured mutual savings banks for conversion thereunder.

The Board notes that while Subpart C does not expressly encompass such conversions, several voluntary supervisory conversions of FDIC-insured federally and state-chartered mutual savings banks to federal stock form have been undertaken pursuant to joint action by the FDIC and the Board under section 5(o)(2)(F) of the HOLA. Specifically, such conversions may occur under section 5(o)(2)(F) when the FDIC has certified that severe financial conditions exist that threaten the stability of an FDIC-insured savings bank and that conversion to federal stock form is likely to improve the financial condition of the savings bank, and the Board has concurred in the determination of the FDIC and authorized the conversion pursuant to the Board's Conversion Regulations. The Board proposes to set forth the eligibility requirements for a section 5(o)(2)(F) voluntary supervisory conversion in new § 563b.25(a).

In order to ensure that a voluntary supervisory conversion undertaken pursuant to Subpart C will be subject to the same equitable standards and safeguards as a standard conversion undertaken pursuant to Subpart A, the Board is currently proposing, as it did in the first proposal, to add to § 563b.20 a requirement that, unless clearly inapplicable, all of the provisions of Subpart A shall apply to a voluntary supervisory conversion undertaken pursuant to Subpart C. The Board notes that as a result of the addition of this provision, it would be unnecessary to retain current §§ 563b.28(c) and 563b.31, the first of which restates the provisions of section § 563b.8(d) of Subpart A regarding the status of a converting insured institution's charter, and the second of which subjects a converted insured institution to the dividend and repurchase restrictions set forth in § 563b.3(g) (2)(ii) and (3) of Subpart A. The Board, therefore, proposes to delete §§ 563b.28(c) and 563b.31.

C. Definition of Voluntary Supervisory Conversions

In order to eliminate uncertainty as to the types and structures of transactions that fall within the scope of Subpart C, the Board is proposing to amend § 563b.21 to clarify that in addition to the sale of the converting insured institution's conversion stock directly to a person or persons, a voluntary supervisory conversion may be accomplished by mergering the institution into a stock institution that has been organized and newly chartered for the purpose of facilitating the conversion. Subpart C would continue to govern only voluntary supervisory conversions, and the Board would continue to exercise its power to authorize and order non-voluntary supervisory stock conversions on a case-by-case basis. In addition, the Board is proposing to add a new § 563b.22 to set forth the regulatory purpose of this Subpart.

D. Qualification for Voluntary Supervisory Conversion

The Board proposes to substantially revise and clarify current § 563b.23, which currently sets forth the four qualification criteria for voluntary supervisory conversion discussed in part I above. First, in recognition of the fact that the Board has the authority to approve voluntary supervisory conversions of both FSLIC-insured and FDIC-insured institutions but that it may not be feasible—and in the case of section 5(o)(2)(F) conversions, not required—for the Board to apply the same voluntary supervisory conversion qualification criteria to FSLIC-insured and FDIC-insured institutions, the Board, as it did in the first proposal, proposes to clarify in new paragraph 563b.24 that the qualification criteria in § 563b.23 would apply only to FSLIC-insured institutions and to specify qualification criteria applicable to FDIC-insured institutions in a separate new paragraph 563b.25.

New paragraph 563b.25(a) would establish the qualification standards applicable to a section 5(o)(2)(f) conversion undertaken by an FDIC-insured institution, *See* Part II.B. above, and new paragraph 563b.25(b) would establish the qualification criteria applicable to a voluntary supervisory conversion undertaken by an FDIC-insured mutual institution to federal stock form pursuant to section 5(i) of the HOLA. Accordingly, the Board is proposing in new § 563b.25(b) that the Board may, in its discretion, authorize an FDIC-insured institution to undergo a voluntary supervisory conversion to federal stock form if the following conditions have been met: (1) The institution is insolvent on a GAAP basis; and (2) A sufficient amount of permanent capital stock is issued in connection with the voluntary supervisory conversion to allow the institution to meet its capital requirement to the satisfaction of the FDIC immediately upon completion of the conversion. The Board intends that the proposed § 563b.25(b) voluntary supervisory conversion procedure would be available to FDIC-insured institutions as an alternative to a 5(o)(2)(F) conversion.

Second, the Board is proposing to revise and to substantially simplify new § 563b.24, which sets forth the test used by the Board to determine whether a FSLIC-insured institution qualifies to undertake a supervisory conversion. In the first proposal, the Board proposed to amend Subpart C to clarify its policies and interpretations regarding the acceptable treatment for appraised equity capital, net-worth certificates, deferred losses, and supervisory forbearances in determining whether an insured institution qualifies for a voluntary supervisory conversion on the basis of its regulatory capital. Upon reconsideration of this issue, the Board believes it is preferable to substantially simplify this test, and to use GAAP to determine whether an institution is

insolvent and, thus, qualifies for voluntary supervisory conversion. As discussed above, the Board believes that the use of GAAP represents a better measure of realizable equity value for account holders in the institution and would be fully consistent with the Board's historical concerns regarding the interests of mutual account holders.

Thus, the test for determining whether an institution qualifies to undertake a voluntary supervisory conversion would simply be, first, whether the institution is insolvent on a GAAP basis, and second, whether the institution after conversion would satisfy the new viability test set forth in revised § 563b.27. The Board also proposes to amend the voluntary supervisory conversion qualification criteria to clarify that if the converting institution is state-chartered and is converting to state stock form, the conversion must be authorized under state law. The Board invites comments on this proposed simplification.

In sum, as a result of the current proposal, section 563b.22 would be redesignated as § 563b.23 and revised to incorporate appropriate new section references; § 563b.24 would be revised to incorporate the foregoing simplified qualification test for FSLIC insured institutions; § 563b.23 would be replaced with new § 563b.25 containing provisions applicable to FDIC insured institutions, and existing §§ 563b.25, 563b.32 and 563b.33, which deal with the determination of realizable equity value of an institution, treatment of appraised equity capital and capital certificates, would be deleted.

E. Viability of Converted FSLIC-Insured Institution

Current § 563b.26 sets forth the two required characteristics of a viable entity, that the capital of the insured institution after conversion would (1) meet regulatory requirements, and (2) be reasonably sufficient to absorb projected operating losses for a period of not less than three years after completion of the conversion. In the first proposal, the Board proposed amending the current definition of viable entity to codify its practice of requiring that the amount of permanent equity capital issued in connection with a supervisory conversion be sufficient to satisfy both of the above-described components of viability. The Board stated that it did not foreclose the use of securities not constituting permanent equity capital to satisfy the viability standard, but emphasized that the use of such securities would be an exception that must be justified, and that the Board would disfavor any conversion plan where securities not constituting permanent equity capital made up more than one-third of the consideration necessary to meet the institution's regulatory net-worth requirement.

Under the first proposal, the Board proposed to revise the first component of the current definition of viable entity by clarifying that an FSLIC-insured institution must satisfy its regulatory net-worth requirement immediately upon completion of the conversion. Further, the Board proposed to clarify the items that should be disregarded in determining whether an FSLIC-insured institution would be a viable entity following the voluntary supervisory conversion to include any supervisory forebearances proposed to be granted in connection with the conversion, and to require that all losses on sales or other dispositions of mortgage loans, redeemable ground-rent leases or other securities (as defined in 12 CFR 563.17-4(a)(4)) that were previously deferred for regulatory accounting purposes pursuant to 12 CFR 563c.14 must be recognized for purposes of determining the viability of an FSLIC-insured institution. The Board believed that the additional permanent equity capital that would be infused into FSLIC-insured institutions as a result of the proposed amendment would enhance the ability of such institutions to operate in a safe and sound manner following the voluntary supervisory conversion.

The Board has reconsidered its proposed amendments to the current definition of viable entity and is of the view that a more flexible approach to the required initial capital infusion may have the desirable effect of encouraging management and prospective acquirers to undertake voluntary supervisory conversions. Basically, the Board is proposing in new § 563.27 to make available an expedited processing procedure when the conversion transaction meets certain standards, including the infusion of a substantial new capital base for the converted institution. Accordingly, the Board is proposing to revise the definition of viable entity by providing simplified alternative standards as follows. Under the proposal, an FSLIC-insured institution may be deemed a viable entity if the Board determines that the prospective acquirer will infuse sufficient new capital to cause the institution to achieve a ratio of capital to total liabilities, computed in accordance with GAAP, of 4.5 percent. The second part of the current test regarding viability over a three-year horizon, would be deleted. Supervisory conversions that meet this viability test would be eligible for approval under delegated authority by OGC, provided that the transaction does not present issues of policy requiring consideration by the Board. The Board specifically requests comment on this revised first alternative and on the level of capital infusion—above or below 4.5 percent—that would be appropriate.

Also, under the current proposal, an alternative viability test would be available. Under this alternative, an FSLIC-insured institution may be deemed a viable entity if the prospective acquirer will infuse an amount of capital sufficient to increase the converting insured institution's capital to at least one percent of liabilities calculated on a GAAP basis, immediately following conversion. However, in such cases, the acquirer must agree in writing with the FSLIC to infuse additional capital into the converted institution, as necessary, to enable the institution to increase its capital on a scheduled basis such that the institution's capital will comply with the Board's regulatory net worth regulations in effect from time to time, and within not less than five years of the date of conversion.

The Board does not intend to foreclose the use of non-cash assets or securities which do not constitute permanent equity capital, such as subordinated debt or mandatorily redeemable preferred stock, to satisfy the alternative viability standard. The use of securities not constituting permanent equity capital in a voluntary supervisory conversion must be justified by prospective acquirer, however, and the Board intends to evaluate the acceptability of their use on a case-by-case basis.

The written agreement entered into between the FSLIC and prospective acquirer under the alternative viability standard would provide severe consequences for failure to achieve any of the required levels of capital, or to adhere to the business plan required to be submitted as part of the supervisory conversion application. These could include the automatic effectiveness of a consent agreement with the FSLIC, the vesting of proxies to vote the acquirer's shares in the institution with the Principal Supervisory Agent of the appropriate FHLB, the ability of the PSA to terminate certain or all executive officers' employment with the institution, and the imposition of appropriate capital maintenance obligations. Transactions relying on this second alternative viability test would be deemed to present policy issues appropriate for consideration by the Board itself and would not be eligible

for approval under delegated authority. The Board requests comments on the proposed viability tests, including whether under the alternative viability tests the initial infusion of capital should be higher, have a dollar floor, or be related in some other way to the size of an association's assets.

Under either of the foregoing alternatives, the viability test would contain a requirement that the transaction overall must be in the best interests of, and not present the potential for injury to, the converting institution, its depositors, or the FSLIC. The Board proposes this additional criterion as a result of its experience in several cases where the managerial resources, integrity, or financial resources of the prospective acquirer in the conversion transaction presented significant concerns to the Board relating to the safety and soundness of the insured institution after conversion, the welfare of depositors and risk to the FSLIC. The qualification criteria do not currently include an express standard which would empower the Board to disapprove a voluntary supervisory conversion on the basis of the managerial resources, integrity, or financial condition of the prospective conversion stock purchaser or other unfavorable features of the transaction. With respect to the managerial resources of the prospective acquirer, however, the Board or its delegate would continue to have the option to disapprove a change-in-control notice or holding company application filed as part of the conversion application under the respective standards 12 CFR 574.7(c), 574.7(d) (1986).

As it did in the first proposal, the Board also is proposing to eliminate the alternative in current § 563b.26 for the proposed conversion stock purchaser to guarantee to maintain the insured institution's capital at regulatorily required levels for a period of not less than three years from the date of completion of the conversion in lieu of providing an opinion of qualified, independent counsel or an independent certified public accountant regarding the tax consequences to the insured institution arising from the conversion, or an Internal Revenue Service ruling that the transaction qualifies as a tax-free reorganization. The Board believes that the viability of the institution is adequately addressed by the viability component of supervisory conversion qualification criteria, and that it is important for a converting insured institution, as well as the Corporation, to receive professional advice regarding the tax consequences arising from a voluntary supervisory conversion. Moreover, the Board would continue to have the option to impose, on a case-by-case basis, individual capital maintenance requirements as a condition of approval of voluntary supervisory conversions, on those applications that are considered by the Board and not handled under delegated authority.

Finally, in order to enable the Board to monitor the GAAP financial condition of a converted insured institution qualifying for voluntary supervisory conversion under either of the viability standards, the institution would be required to file with the Board the annual and quarterly reports on Forms 10K and 10Q for a period of three years following the conversion. This abbreviated reporting requirement supercedes the more extensive reporting requirement that otherwise would be required pursuant to § 563b.3(c)(19). As in the case of the broader reporting requirement imposed on institutions that complete standard and modified conversions, these reports are extremely useful in monitoring the institution's ongoing financial condition.

F. Voluntary Supervisory Conversion Application

The Board notes that a variety of the documents and information necessary for its staff to review a voluntary supervisory conversion and related transactions are not now specifically required to be filed as part of the application under current § 563b.27. The Board, therefore, is proposing, as it did in the first proposal, to amend § 563b.27, redesignated as new § 563b.28, to require that the following information and documents, if applicable to the transaction, be filed by an insured institution as part of its voluntary supervisory conversion application: (1) The plan of conversion; (2) A copy of any agreements between the converting institution and the proposed conversion stock purchasers; (3) An opinion of qualified independent counsel or an independent certified public accountant regarding the tax consequences to the insured institution arising from the conversion, or an Internal Revenue Service Ruling that the transaction qualifies as a tax-free reorganization; (4) A business plan acceptable to the appropriate FHLBank or to OES; (5) A holding company application or change in control notice; (6) The proposed charter and bylaws of the converted institution; (7) The proposed stock certificate form; (8) A description of all existing and proposed employment contracts; (9) All filings required under Part 563g; (10) A subordinated debt application; (11) Applications for permission to organize a stock institution, Federal Home Loan Bank membership, insurance of accounts, and merger, if applicable; (12) An opinion of an independent public accountant regarding the appropriateness of the accounting treatment for the transaction and the conformity of such accounting treatment to generally accepted accounting principles and Board Memorandum No. R-55; (13) Information to support the value of any non-cash assets to be contributed to the insured institution in connection with the voluntary supervisory conversion (appraisals submitted in this connection would be required to meet the standards of Board Memorandum No. R-41b); (14) A description of the estimated expenses of the voluntary supervisory conversion of the insured institution; (15) The most current audited or unaudited financial information dated after the date of the FSLIC-insured institution's latest quarterly report; (16) If applicable, an opinion of independent counsel that the voluntary supervisory conversion of a state-chartered insured institution to state stock form is authorized under applicable state law; (17) A specific description of any of the features of the insured institution's application that do not conform to the requirements of Subpart C; and (18) A specific description of and detailed justification for any waivers or supervisory forebearances that are requested as part of the voluntary supervisory conversion.

G. Sales of Conversion Stock

As discussed in Part II.A above, the Board is proposing, as it did in the first proposal, to remove the requirement in current § 563b.30 that the offering and sale of voluntary supervisory conversion stock must constitute a non-public offering under Part 563g of the Subchapter. Pursuant to proposed new § 563b.31, each insured institution that converts on a voluntary supervisory basis would be required to offer and sell its conversion stock pursuant to the requirements of 12 CFR Part 563g. In addition, pursuant to proposed § 563b.20(c), the offer and sale of a converting insured institution's voluntary supervisory conversion stock would be subject to the provisions of Subpart A unless clearly inapplicable.

H. Procedural Requirements

In the first proposal, the Board proposed an amendment to the procedures for filing voluntary supervisory conversion applications, by revising current § 563b.28. Under current § 563b.28(a), an applicant is required to

file an original and two copies of the voluntary supervisory conversion application with the Principal Supervisory Agent of the applicable FHLB ("PSA") and one copy with the Office of Regulatory Policy, Oversight, and Supervision. In order to expedite the application processing procedure, the Board proposed that § 563b.28(a) would require an applicant to file the original and three copies of an application for approval with the Corporate and Securities Division of the Board's Office of General Counsel. Upon reconsideration, the Board has determined to revise current § 563b.28(a), redesignated § 563b.29(a), to require an applicant to file an original and one copy of the voluntary supervisory conversion application with the Office of General Counsel, and one copy with each OES and the appropriate PSA.

The Board proposes to streamline the processing of voluntary supervisory conversion applications by modelling the new process upon that already in effect and working successfully with respect to standard conversions. The Office of General Counsel would have delegated authority to approve voluntary supervisory conversions, except in cases presenting issues of policy, with clearance required from OES and the appropriate FHLB for components of the application such as the business plan or the contribution of non-cash assets. In addition, as noted previously, the appropriate FHLB or OES, with the concurrence of OGC must review and may possess delegated authority to approve holding company applications and change in control notices required to be submitted in connection with supervisory conversion applications.

The current proposal also delegates authority to charter interim federal institutions and to approve the insurance of accounts for such institutions, where an institution is created in connection with, and to facilitate, transactions that may be approved by the PSA or by OES, OGC or the Director of the Office of District Banks. This change would be accomplished by amending §§ 543.2(h)(3) and 562.7. This step should further expedite the processing of conversions, and is modelled upon the delegation standards already in existence with respect to mergers generally.

I. Expenses

The Board currently proposes to provide in new § 563b.32, as in the first proposal, that expenses incurred by an insured institution in connection with a voluntary supervisory conversion shall be reasonable and, with respect to an FSLIC-insured institution, shall not be in an amount such that the proceeds to the institution from the sale of its conversion stock would be insufficient to satisfy either of the viability qualification criteria.

J. Employment Contracts

As it did in the first proposal, the Board currently proposes to add a new § 563b.33 which clarifies its concerns regarding employment contracts incident to a voluntary supervisory conversion, particularly those to existing management of the applicant with a term in excess of one year. In addition, the Board again proposes to confirm that an applicant for voluntary supervisory conversion must justify any employment contract incidental to the conversion, and otherwise demonstrate to the Board's satisfaction that the making of such an employment contract by an insured institution would not be an unsafe or unsound practice or represent a sale of control. For example, employment contracts entered into in connection with conversions relying upon the alternative viability standard would be subject to the provisions of any agreement entered into as a condition of reliance upon the alternative standard. Finally, new § 563b.33 would confirm that the Board or its delegate shall determine the permissibility of an employment contract based upon, at a minimum, the applicant's justification for the contract, the term, salary, and severance provisions of the contract, the identity and background of the officer or employee subject to the employment contract, and the amount of conversion stock to be purchased by such officer or employee or his affiliates or associates.

IV. Proposed Revisions to Subpart D

A. Introduction

In the first proposal, the Board proposed several technical amendments and certain modifications to Subpart D in order to expedite the processing of modified conversion applications, and thereby to encourage the use of the modified conversion procedure by insured institutions as a capitalization vehicle. The Board is currently reproposing those amendments and modifications in order to give the public an opportunity to comment on them in connection with certain other newly proposed revisions to Subpart D.

As it is currently proposing for voluntary supervisory conversions, the Board proposes to revise the test used to determine whether an insured institution qualifies for a modified conversion by referring to a GAAP standard. Thus, an institution with capital calculated in accordance with GAAP that fails to meet the Board's regulatorily required capital could be eligible to undertake a modified conversion if the institution also demonstrates that it is unable to accomplish a standard conversion which would raise a specified level of capital. The Board also is incorporating into the rule an expectation the Board previously expressed in the preamble to its original promulgation of the modified conversion rules to clarify that an acquirer of a controlling amount of stock is required to pay a control premium for the acquisition.

Because of the extent of the changes proposed to Subpart D, the revised subpart is set forth in its entirety in the proposal.

B. Technical Amendments and Other Modifications

As it did in the first proposal, the Board currently proposes to delete the requirement in § 563b.38 that a modified conversion applicant must obtain prior written permission from the Corporation to file a modified conversion application. The Board notes that such a requirement is not imposed on an applicant for supervisory conversion under Subpart C or standard conversion under Subpart A, and is of the view that the pre-filing approval requirement in the modified conversion context may have unduly delayed the processing of modified conversion applications. In connection with this proposed modification, the Board would delete the last sentence of § 563b.35, which refers to the pre-filing approval requirement of § 563b.38. In addition, the Board again proposes to clarify in new § 563b.39 that an insured institution seeking to undergo a modified conversion shall file an application for approval in accordance with the requirements of § 563b.8 of Subpart A. The Board is also adding a brief description of the modified stock conversion, in new § 563b.35.

Finally, the Board is again proposing to amend § 563b.34(a) to clarify the applicability of Subpart D to mutual-to-stock conversions under sections 5(i) (1) and (2) of the HOLA and 402(j) of the NHA, as well as to sections 5(o)(2)(F) and 5(p) of the HOLA, and to revise § 563b.37(b) to clarify that both state-chartered and federally chartered FDIC-insured mutual savings banks may undergo modified conversions to federal stock form pursuant to section 5(o)(2)(F) of the HOLA.

C. Qualification for Modified Conversion

The Board proposes to revise § 563b.36(c), which sets forth the guidelines discussed in part I, above, for determining whether an institution qualifies to undertake a modified conversion. Current § 563b.37(c) provides generally that an insured institution may qualify for a modified conversion if it does not meet its regulatory capital requirement and allows an institution to recognize deferred losses and disregard appraised equity capital in determining whether its regulatory capital is sufficiently low to justify a modified conversion.

The Board is proposing to revise and substantially simplify this qualification guideline by providing that an insured institution may qualify for modified conversion if it meets a two-part test. First, the institution must not meet its applicable regulatory capital requirement computed on the basis of GAA. As discussed in part III.D, above, the Board is proposing to revise Subpart C in a similar manner. Second, the institution must not be able to undertake a standard conversion that would raise sufficient capital to enable the institution to meet its regulatory capital requirement computed in accordance with GAAP, on the basis of an independent valuation as provided in § 563b.7 acceptable to the Board or its delegate.

The Board is proposing this revision because it believes that determining whether an institution is financially qualified to undergo a modified conversion on a GAAP basis is a realistic measure of the institution's financial position from the perspective of the extent of realizable equity value in the institution which could be obtainable by the mutual account holders. Moreover, like the voluntary supervisory conversion, the modified conversion is attractive to both management and potential acquirers, since it provides assurance of how control in the institution will be vested after the conversion. For this reason, the Board is of the view that the proposed revision to the qualification guideline will facilitate the modified conversion procedures.

D. Substantive Guidelines

The Board is proposing to add new § 563b.38(h), which will require acquirers of control in an institution undertaking a modified conversion to pay the price per share set for all acquirers plus an additional control premium, in an amount, form, and on terms acceptable to the Board or its delegate. This premium recognizes the additional value which shares that enable an acquirer to obtain control have above other shares and also provides additional capital to the institution.

The Board is also proposing amendments to § 563b.38(f) to revise terminology in certain respects and to delete clause (2) and replace it with more comprehensive language comparable to that proposed for the viability test for supervisory conversions regarding the overall benefit of the transaction to the institution, its depositors and the FSLIC.

E. Buyback of Minority Stock

The Board is aware that despite the ability of insured institutions that undertake modified conversions to limit the preemptive subscription rights of accountholders and other members on a sliding scale based upon the institution's capital as a percentage of liabilities, some prospective acquirers might be reluctant to use the modified conversion procedure because of their inability in most cases to obtain all of the common stock in the conversion. While the preemptive rights of members have been an essential element in the Conversion Regulations since their introduction, the Board has carved out exceptions to this requirement in supervisory conversions and in modified conversion involving institutions in which there is negligible or no realizable liquidation value.

The Board wishes to maintain a balance between the ownership interests of accountholders and other shareholders and the need of institutions undertaking modified conversions to provide prospective acquirers with the assurance of obtaining control. The Board is proposing to revise current § 563b.37 in new § 563b.38(i) to provide that for three years following the completion of a modified conversion, controlling shareholders may acquire and the converted institution may repurchase other shares only after receiving Board approval and upon making an offer that reflects the fair value of the shares, supported by an independent appraisal. The appraisal would be based on several factors, including historic and projected earnings, financial strength, market price, net asset value, dividends, investment value, and book value. The Board specifically requests comments on this aspect of the proposal.

F. Modified Conversion Application

The Board notes that a variety of the documents and information necessary for its staff to review a modified conversion and related transactions are not now specifically required to be filed as part of the application under current § 563b.39. The Board, therefore, is proposing to amend § 563b.39 to require that the following information and documents, if applicable to the transaction, be filed by an insured institution as part of its modified conversion application: (1) The plan of conversion; (2) A copy of any agreements between the converting institution and the proposed conversion stock purchasers; (3) An opinion of qualified independent counsel or an independent certified public accountant regarding the tax consequences to the insured institution arising from the conversion, or an Internal Revenue Service Ruling that the transaction qualifies as a tax-free reorganization; (4) A business plan acceptable to the appropriate FHLBank or ORPOS; (5) A holding company application or change in control notice; (6) The proposed charter and bylaws of the converted institution; (7) The proposed stock certificate form; (8) A description of all existing and proposed employment contracts; (9) All filings required under Part 563g; (10) A subordinated debt application; (11) Applications for permission to organize a stock institution, Federal Home Loan Bank membership, insurance of accounts, and merger, if applicable; (12) An opinion of an independent public accountant regarding the appropriateness of the accounting treatment for the transaction and the conformity of such accounting treatment to generally accepted accounting principles and Board Memorandum No. R–55; (13) Information to support the value of any non-cash assets to be contributed to the insured institution in connection with the voluntary supervisory conversion (appraisals submitted in this connection would be required to meet the standards of Board Memorandum No. R–41b); (14) A description of the estimated expenses of the modified conversion of the insured institution; (15) The most current audited or unaudited financial information dated after the date of the FSLIC-insured institution's latest quarterly report; (16) If applicable, an opinion of independent counsel that the modified conversion of a state-chartered insured institution to state stock form is authorized under applicable state law; (17) A specific description of any of the features of the insured institution's application that do not conform to the requirements of Subpart C; and (18) A specific description of and detailed justification for any waivers or supervisory forebearances that are requested as part of the modified

conversion. The procedural requirements governing an application for a modified conversion are set forth in new § 563b.41.

Public Comment Period

The Board has determined that a 30-day public comment period is appropriate because prompt action is in the public interest in order to facilitate and enhance the availability of mutual-to-stock conversions and make the foregoing clarifications, amendments and expedited procedures available as soon as possible.

Initial Regulatory Flexibility Analysis

Pursuant to section 3 of the Regulatory Flexibility Act, 5 U.S.C. 603, the Board is providing the following initial regulatory flexibility analysis:

1. *Reasons, objectives, and legal bases underlying the proposed rules.* These elements have been discussed elsewhere in the **SUPPLEMENTARY INFORMATION** regarding the proposal.

2. *Small entities to which the proposed rules would apply.* The rules would apply to all insured institutions.

3. *Impact of the proposed rules on small institutions.* To the extent that the rules would affect small institutions, this has been discussed elsewhere in the proposal.

4. *Overlapping or conflicting federal rules.* There are no federal rules which duplicate, overlap, or conflict with the proposed rules.

5. *Alternatives to the proposed rule.* Other alternatives, such as the present rules, may tend to limit the utility of the mutual-to-stock conversion procedures. More liberal provisions may raise questions of statutory authority.

List of Subjects in 12 CFR Parts 543, 546, 562, 563, 563b, and 574

Administrative practice and procedure, Bank deposit insurance, Holding companies, Reporting and recordkeeping requirements, Savings and loan associations, Securities.

Accordingly, the Board hereby proposes to amend Parts 543 and 546, Subchapter C, Parts 562, 563, 563b, and 574 of Subchapter D, Chapter V, Title 12, Code of Federal Regulations, as set forth below.

Subchapter C—Federal Savings and Loan System

PART 543—INCORPORATION, ORGANIZATION, AND CONVERSION OF FEDERAL MUTUAL ASSOCIATIONS

1. The authority citation for 12 CFR Part 543 is revised to read as follows:

Authority: Secs. 2, 5, 48 Stat. 128, 132, as amended (12 U.S.C. 1462, 1464); secs. 401–403, 405–407, 48 Stat. 1255–1257, 1259–1260, as amended (12 U.S.C. 1724–1726, 1728–1730); sec. 408, 82 Stat. 5, as amended (12 U.S.C. 1730a); sec. 801, 91 Stat. 1147, as amended (12 U.S.C. 2901 *et seq.*); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–1948 Comp., p. 1071.

2. Amend § 543.2 by revising paragraph (h)(3) to read as follows:

§ 543.2 Application for permission to organize.

* * * * *

(h) * * *

(3) *Delegations of authority.* (i) The Board delegates the authority to approve applications for permission to organize an interim Federal association under paragraph (g) of this section to the Principal Supervisory Agent (as defined in § 541.18 of this subchapter), provided that the Principal Supervisory Agent otherwise is authorized to approve the transaction for which the interim Federal association has been chartered to facilitate.

(ii) The Board delegates the authority to approve applications for permission to organize an interim Federal association under paragraph (g) of this section to the Director of the Office of District Banks or his designee with the concurrence of the General Counsel or his designee, provided that the Director of the Office of District Banks, the General Counsel, or the Director of the Office of Examinations and Supervision or its successor, the Office of Regulatory, Policy and Oversight ("ORPOS"), jointly or individually, otherwise are authorized to approve the transaction for which the interim Federal association has been chartered to facilitate.

3. Part 543 is amended by removing the authority citations located at the end of the applicable sections of the part.

PART 546—MERGER, DISSOLUTION REORGANIZATION, AND CONVERSION

4. The authority for Part 546 continues to read as follows:

Authority: Secs. 5, 406, 48 Stat. 132, as amended, 1259, as amended; 12 U.S.C. 1464, 1729. Reorg. Plan No. 3 of 1947: 3 CFR 1943–1948 Comp. unless otherwise noted.

5. Amend § 546.2 by adding a new paragraph (i)(1)(vi) to read as follows:

§ 546.2 Procedure; effective date.

* * * * *

(i) * * *

(1) * * *

(vi) Either constituent association is required under § 563g.2 of this chapter to file an offering circular with the Board.

Subchapter D—Federal Savings and Loan Insurance Corporation

PART 562—APPLICATION FOR INSURANCE OF ACCOUNTS

6. The authority citation for 12 CFR Part 562 is revised to read as follows:

Authority: Secs. 2, 5, 48 Stat. 128, 132, as amended (12 U.S.C. 1462, 1464); secs. 401–403, 405–407, 48 Stat. 1255–1257, 1259–1260, as amended (12 U.S.C. 1724–1726, 1728–1730); sec. 408, 82 Stat. 5, as amended (12 U.S.C. 1730a); sec. 801, 91 Stat. 1147, as amended (12 U.S.C. 2901 *et seq.*); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–1948 Comp., p. 1071.

7. Amend § 562.7 by redesignating it as § 562.7(a) and by adding a new paragraph (b) to read as follows:

§ 562.7 Action by Corporation.

* * * * *

(b) The Board delegates to the Principal Supervisory Agent or to the Director of the Office of District Banks or his designee, with the concurrence of the General Counsel or his designee, the authority to approve the application for insurance of accounts of an interim Federal association (i) accompanying an application for permission to organize an interim federal association which may be approved under delegated authority pursuant to § 543.2(h)(3) (i) and (ii) respectively, or (ii) for an interim state-chartered institution chartered to facilitate a transaction which otherwise may be approved under delegated authority by the Principal Supervisory Agent or by the Director of the Office of District Banks, the General Counsel or the Director of ORPOS, or their respective designees, jointly or individually.

§§ 562.3, 562.4, and 562.6 [Amended]

8. Amend §§ 562.3, 562.4, and 562.6 by removing the authority citations located at the ends of the sections.

PART 563—OPERATIONS

9. The authority for Part 563 continues to read as follows:

Authority: Sec. 17, 47 Stat. 736, as amended (12 U.S.C. 1437); sec. 202, 96 Stat. 1469 (12 U.S.C. 1729(f)); sec. 409, 94 Stat. 160 (12 U.S.C. 1726(b)); secs. 401–405, 407, 48 Stat. 1255–1260, as amended (12 U.S.C. 1724–1728, 1730); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–48 Comp., p. 1071 unless otherwise noted.

10. Amend § 563.22 by adding a new paragraph (f)(1)(vi) to read as follows:

§ 563.22 Merger, consolidation, purchase or sale of bulk assets, or assumption of liabilities.

* * * * *

(f) * * *

(1) * * *

(vi) The insured institution to be acquired is required under § 563g.2 of this chapter to file an offering circular with the Corporation.

PART 563b—CONVERSIONS FROM MUTUAL TO STOCK FORM

11. The authority citation for 12 CFR Part 563b is revised to read as set forth below and all other authority citations in this part are removed:

Authority: Sec. 5A, 47 Stat. 727, as added by sec. 1, 64 Stat. 256, as amended (12 U.S.C. 1425a); sec. 17, 46 Stat. 736, as amended (12 U.S.C. 1437); secs. 2, 5, 48 Stat. 128, 132, as amended (12 U.S.C. 1462, 1464); secs. 401–403, 405–407, 48 Stat. 1255–1257, 1259–1260, as amended (12 U.S.C. 1724–1726, 1728–1730); sec. 408, 82 Stat. 5, as amended (12 U.S.C. 1730a); secs. 3(b), 12–14, 23, 48 Stat. 882, 892, 894–895, 901, as amended 915 U.S.C. 78c, 1–n, w); Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943–1948 Comp., p. 1071.

12. Section 563b.2 is amended as follows:

A. Pargaraph (a)(36) is redesignated as paragraph (a)(38).

B. Paragraphs (a)(1) through (a)(35) are redesignated as paragraphs (a)(2) through (a)(36).

C. New paragraphs (a)(1) and (a)(37) are added to read as set forth below.

D. New paragraph (a)(5)(ii) is revised to read as set forth below.

The revised and added material reads as follows:

§ 563b.2 Definitions.

(a) * * *

(1) *Acting in concert.* The term "acting in concert" shall be defined as provided in § 574.2(c).

* * * * *

(5) *Associate.* * * *

(ii) Any trust or other estate in which such person has substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, except that it does not include any tax-qualified employee stock benefit plan or non-tax-qualified employee stock benefit plan in which a person serves as a trustee or in a similar fiduciary capacity for the purposes of § 563b.3 (c)(6), (c)(7), (c)(9), and (d)(5) or any tax-qualified employee stock benefit plan for the purposes of § 563b.3(c)(8).

* * * * *

(37) *Tax-qualified employee stock ownership plan.* A "tax-qualified employee stock benefit plan" is any defined benefit plan or defined contribution plan, such as an employee stock ownership plan, stock bonus plan, profit-sharing plan or other plan, which with its related trust meets the requirements to be "qualified" under section 401 of the Internal Revenue Code. A "non-tax-qualified employee stock benefit plan" is any defined benefit plan or defined contribution plan which is not so qualified.

* * * * *

13. Amend § 563b.3 by revising paragraphs (c)(6)(i), (c)(7), (c)(8), (c)(9), by adding new paragraphs (c)(23) and (c)(24); by revising paragraphs (d)(5); (f)(3); (g)(1); (i)(3); by adding new paragraph (i)(5)(v); and by revising paragraph (i)(6) to read as follows:

Subpart A—Standard Conversions

§ 563b.3 General principles for conversion.

* * * * *

(c) * * *

(6) * * *

(i) Subject to the adoption in the plan of conversion of the optional provision of paragraph (d)(5) of this section, a condition limiting purchases in the public offering or the direct community offering by any person together with any associate or group of persons acting in concert to not more than five percent (5%) of the total offering of shares except that any one or more tax-qualified employee stock benefit plans may purchase not more than ten percent (10%) of the total offering of shares and shall be entitled to purchase such amount regardless of the number of shares to be purchased by other parties, and that shares held by one or more tax-qualified or non-tax-qualified employee stock benefit plans and attributed to a person shall not be aggregated with other shares purchased directly by or otherwise attributable to that person.

* * * * *

(7) Subject to the adoption in the plan of conversion of the optional provision of paragraph (d)(5) of this section, provide that the total of shares which any person and any associate or group of persons acting in concert may subscribe for or purchase in the conversion shall not exceed five percent (5%) of the total offering of shares, except that any one or more tax-qualified employee stock benefit plans may purchase not more than ten percent (10%) of the total offering of shares, and shall be entitled to purchase this quantity regardless of the number of shares to be purchased by other parties, and that shares held by one or more tax-qualified or non-qualified employee stock benefit plans and attributed to a person shall not be aggregated with shares purchased directly by or otherwise attributable to that person.

(8) Provide that the officers and directors of the converting institution and their associates may purchase in the conversion, up to thirty-five percent (35%) of the total offering of shares of the converting institution provided that the converting institution has less than $50 million in total assets and up to twenty-five percent (25%) in the total offering of shares if the converting institution has more than $500 million in total assets. If the converting institution has between $50 million and $500 million, in total assets, the maximum percentage shall be equal to twenty-five percent (25%) plus one percent (1%) multiplied by the quotient of the total assets less $50 million divided by $45 million. For example, for a converting institution with $275 million in total assets, the percentage will be thirty percent (30%), calculated as twenty-five percent (25%) plus, one percent (1%) multiplied by the quotient of $275 million less $50 million, or $225 million, divided by $45 million, which equals five, or five percent (5%), which adds to a sum of thirty percent (30%). In calculating the number of shares which may be purchased, any shares attributable to the officers and directors and their associates but held by one or more tax-qualified employee stock benefit plans shall not be included. In the case of merger conversions undertaken pursuant to § 563b.10(c), the shares owned prior to the merger conversion by officers, directors, and their associates, shall not be included in calculating the aggregate amount which may be purchased.

(9) Provide that an officer or director, or his associates, shall not purchase, without the prior written approval of the Corporation, the capital stock of the converted insured institution except from a broker or dealer registered with the Securities and Exchange Commission, for a period of three years following the date of the conversion; except that, this paragraph (c)(9) shall not apply to either negotiated transactions involving more than one percent (1%) of the outstanding capital stock of the converted insured institution, to purchases of stock made by and held by any one or more tax-qualified or non-tax-qualified employee stock benefit plan which may be attributable to individual officers or directors.

* * * * *

(23) Provide that a tax-qualified employee stock benefit plan has a priority to purchase conversion stock after eligible and supplemental account holders but prior to voting members who have subscription rights.

(24) May make scheduled discretionary contributions to a tax-qualified employee stock benefit plan provided such contributions do not

cause the association to fail to meet its regulatory capital requirement.

(d) * * *

(5) That purchases in the public offering or in the direct community offering by any person together with any associate or group of persons acting in concert shall be limited to less than ten percent (10%) of the total offering of shares, provided that orders for conversion stock exceeding five percent (5%) of the total offering of shares shall not exceed in the aggregate ten percent (10%) of the total offering of shares, except that tax-qualified employee stock benefit plans may purchase in the aggregate up to ten percent (10%) of the total offering and not be included in the order limit.

* * * * *

(f) * * *

(3) In the event of a complete liquidation of the converted insured institution (and only in such event), each eligible account holder and supplemental eligible account holder shall be entitled to receive a liquidation distribution from the liquidation account, in the amount of the then current adjusted subaccount balances for savings accounts held, before any liquidation distribution may be made with respect to capital at the time of the conversion in exchange for the surrender of mutual capital certificates issued by the institution prior to conversion. A merger, consolidation, sale of bulk assets, or similar combination or transaction with another FSLIC-insured institution is not considered a complete liquidation, and in such a transaction the liquidation account would be assumed by the surviving institution. Preferred stock issued in exchange for mutual capital certificates may receive distributions in liquidation prior to distribution from the liquidation account to the holders of the mutual capital certificates that would have been entitled to priority over the residual rights of depositors had the institution not been converted as of the date of liquidation.

* * * * *

(g) * * *

(1) No converted insured institution shall for a period of three years from the date of the completion of the conversion repurchase any of its capital stock from any person, except that this restriction shall not apply to either (i) a repurchase, on a pro rata basis pursuant to an offer, approved by the Corporation, made to all shareholders of such institution, (ii) the repurchase of qualifying shares of a director, or (iii) a purchase in the open market by either a tax-qualified or non-tax-qualified employee stock benefit plan in an amount reasonable and appropriate to fund the plan.

* * * * *

(i) * * *

(3) *Prohibition on offers to acquire and acquisitions of stock for three years following conversion.* For a period of three years following the date of the completion of the conversion, no person shall directly or indirectly, offer to acquire or acquire the beneficial ownership of more than ten percent of any class of an equity security of an insured institution converted in accordance with the provisions of this Part 563b, without the prior written approval of the Corporation. Where any person, directly or indirectly, acquires beneficial ownership of more than ten percent of any class of any equity security of an insured institution converted in accordance with Part 563b, without the prior written approval of the Corporation as required by this section, the securities beneficially owned by such person in excess of ten percent shall not be counted as shares entitled to vote and shall not be voted by any person or counted as voting shares in connection with any matter submitted to the stockholders for a vote. For the purposes of this section a person shall be deemed to have acquired beneficial ownership of more than ten percent (10%) of a class of equity security of an insured institution where such person holds any combination of stock or revocable or irrevocable proxies of the institution under circumstances that give rise to a conclusive control determination or rebuttable control determination under § 574.4 (a) and (b) of this chapter.

* * * * *

(5) * * *

(v) Paragraphs (i)(1), (i)(2), and (i)(3) of this subsection shall not apply to the acquisition of securities by any one or more tax-qualified employee stock benefit plan, provided that the plan or plans do not have beneficial ownership in the aggregate of more than twenty-five percent (25%) of any class of stock of the converted institution.

(6) *Criteria for approval.* The Corporation shall approve an application involving an offer for, or an announcement thereof, of an acquisition of any security or proxies to vote securities of a converted association submitted under paragraphs (i) (3) or (4) of this section if it finds that the proposed acquisition would be beneficial to the converted institution, the depositors of the converted institution, and the FSLIC; would not frustrate the purposes of the provisions of this Part 563b; would not be manipulative or deceptive; would not subvert the fairness of the conversion; would not be likely to result in injury to the association; would be consistent with economical home financing; and would not otherwise be violative of law or regulation.

§ 563b.3 [Amended]

14. Part 563b is amended by removing § 563b.3(i)(8)(v).

15. Amend § 563b.7 by revising paragraphs (a) and (e) to read as follows:

§ 563b.7 Pricing and sale of securities.

(a) *General.* (1) No offer to sell securities of an applicant pursuant to a plan of conversion may be made prior to approval by the Corporation of the application for conversion and until the proxy statement has been authorized for use by the Corporation.

(2) No offering circular may be transmitted to any person in connection with an offer or sale of a security that is the subject of a plan of conversion which has been filed with the Board unless the offering circular meets the requirements of this part or Part 563g.

(3) No sale of securities may be made except by means of a final offering circular which has been declared effective by the Corporation.

(4) The provisions of § 563b.7(a) shall not apply to preliminary negotiations or agreements between an applicant and any underwriter or among underwriters who are to be in priority of contract with the applicant.

* * * * *

(e) *Underwriting expenses.* Underwriting commissions shall not exceed an amount or percentage per share determined to be reasonable by the Corporation. No underwriting commission shall be allowed or paid with respect to shares of capital stock sold in the subscription offering unless the plan of conversion contains the optional provision permitted by § 563b.3(d)(12) of this part; however, an underwriter may be reimbursed for accountable expenses in connection with the subscription offering where the public offering limited such that reasonable underwriting commissions thereon would not be sufficient to cover total accountable expenses and, in the case in which no public offering occurs, an underwriter may be paid a consulting fee reasonable under the circumstances as the Corporation shall determine. The term "underwriting commissions" includes underwriting discounts.

* * * * *

16. Amend § 563b.10 by redesignating paragraph (c) as paragraph (c)(1); and

by adding a new paragraph (c)(2) to read as follows:

§ 563b.10 Conversion of an insured institution in connection with a acquisition by an existing holding company; conversion of an insured institution through merger with an existing insured stock institution.

* * * * *

(c) Merger with an existing insured stock institution.* * *

(2) Prohibition on offers to acquire and acquisitions of stock following voluntary supervisory merger conversion.

(i) Following the date of the completion of a merger conversion of an insolvent institution converted in accordance with Subpart C of Part 563b, the resulting institution shall be subject to § 563b.3(i)(3) for the period specified in subsection (ii) below.

(ii) The period specified shall be one year if the converting insolvent institution has less than $100 million in total assets, two years if the converting insolvent institution has between $100 million and $500 million in total assets, and three years if the converting insolvent institution has more than $500 million in total assets, calculated at the end of the quarter of the converting institution concluded most recently prior to the filing of the voluntary supervisory merger conversion application.

Subpart C—Voluntary Supervisory Stock Conversion

17. Amend Part 563b by revising § 563b.20, to read as follows:

§ 563b.20 Scope of subpart.

(a) Except as the Board may otherwise determine, the provisions of this subpart shall govern the voluntary supervisory conversion from the mutual to stock form of FSLIC-insured institutions and FDIC-insured institutions converting to federal stock form as authorized or ordered by the Board pursuant to sections 5(i) (1) and (2) and 5(p) of the Home Owners' Loan Act, 12 U.S.C. 1464(i) (1), (2), (p), and, with respect to the former, Section 402(j) of the National Housing Act, 12 U.S.C. 1725(j), and the voluntary supervisory conversion to federal stock form of FDIC-insured savings banks as certified by the FDIC and as concurred in by the Board pursuant to section 5(o)(2)(F) of the Home Owners' Loan Act, 12 U.S.C. 1464(o)(2)(F).

(b) The determination to authorize or order a voluntary supervisory conversion of a FSLIC-insured institution, to authorize a voluntary supervisory conversion of an FDIC-insured savings bank, or to concur in the certification of the FDIC regarding a FDIC-insured savings bank, shall be in the sole discretion of the Board.

(c) All of the provisions of Subpart A of this part shall apply to a supervisory conversion undertaken pursuant to this subpart unless clearly inapplicable.

18. Amend Part 563b by revising § 563b.21, to read as follows:

§ 563b.21 Voluntary supervisory conversions.

A voluntary supervisory conversion of an FSLIC-insured institution or an FDIC-insured savings bank may be accomplished through the sale of the institution's or savings bank's securities issued in the conversion directly to a person or persons. Such a conversion may also occur through the merger of the institution or savings bank into a stock savings and loan association or stock savings bank newly-chartered for the purpose of facilitating the conversion. At least a majority of the board of directors of the institution or savings bank shall adopt a plan of voluntary supervisory conversion that is in accordance with the provisions of this subpart. The members of the mutual institution or savings bank shall have no rights of approval or participation in the voluntary supervisory conversion, or to the continuance of any legal or beneficial ownership interest in the converted institution or savings bank.

19. Part 563b is further amended as follows:

§ 563b.24 [Removed]

A. Section 563b.24 is removed.

§ 563b.23 [Redesignated as § 563b.24]

B. Section 563b.23 is redesignated as § 563b.24 and revised to read as set forth below.

§ 563b.22 [Redesignated as § 563b.23]

C. Section 563b.22 is redesignated as § 563b.23 and revised to read as set forth below.

D. A new§ 563b.22 is added to read as set forth below:

§ 563b.22 Purpose of Subpart.

The purpose of this Subpart is to give guidance to insured institutions and potential acquirors of the stock of converting insured institutions regarding the qualification of insured institutions for a supervisory conversion under this subpart, and guidance as to the extent to which the Board will permit, by means of a supervisory conversion, deviations from the substantive and procedural requirements adopted by the Board for standard conversions under Subpart A of this part.

§ 563b.23 Authorization of supervisory conversions.

The Board will consider authorizing or ordering a supervisory stock conversion if the insured institution files an application containing the information and documents specified in § 563b.28 of this part, in accordance with the procedures specified in § 563b.29 of this subpart, and meets the qualification standards specified in § 563b.24 of this subpart. If the Board authorizes or orders a supervisory stock conversion, the conditions specified in § 563b.30 of this part must be fulfilled, and the converted insured institution and the purchaser or purchasers of its conversion stock must comply with the requirements of § 563b.31 of this part.

§ 563b.24 Qualification for supervisory conversion of FSLIC-insured institutions.

The Board in its discretion may authorize the supervisory conversion of an insured institution when:

(a) Upon liquidation, there would be no equity value realizable by mutual accountholders as defined in § 563b.26 of this part, and

(b) The insured institution would be a viable entity as determined under § 563b.27 of this part following the conversion.

20. Part 563b is further amended as follows:

§§ 563b.25, 563b.28, 563b.31, 563b.32, 563b.33 [Removed]

A. Sections 563b.25, 563b.28, 563b.31, 563b.32, and 563b.33 are removed.

B. Section 563b.30 is redesignated as new § 563b.31 and revised to read as set forth below.

C. Section 563b.29 is redesignated as new § 563b.30 and revised to read as set forth below.

D. New §§ 563b.29, 563b.32 and 563b.33 are added to read as set forth below.

E. Section 563b.27 is redesignated as new § 563b.28 and revised to read as set forth below.

F. Section 563b.26 is redesignated as new § 563b.27 and revised to read as set forth below.

G. New §§ 563b.25 and 563b.26 are added to read as set forth below.

The revised and added material reads as follows:

§ 563b.25 Qualification for supervisory conversion of FDIC-insured institutions.

(a) The Board may, in its discretion, concur with the determination of the Federal Deposit Insurance Corporation ("FDIC") that an FDIC-insured mutual savings bank qualifies for a voluntary supervisory conversion if the FDIC certifies to the Board in accordance with

section 5(o)(2)(F) of the Home Owners' Loan Act of 1933, 12 U.S.C. 1464(o)(2)(F), that severe financial conditions exist that threaten the stability of the savings bank and that the voluntary supervisory conversion is likely to improve the financial condition of the savings bank; or

(b) The Board may, in its discretion, authorize an FDIC-insured institution to undergo a voluntary supervisory conversion to Federal stock form if the following conditions have been met: (i) The institution is insolvent under generally accepted accounting principles based upon the capital requirements imposed by the FDIC; and (ii) (A) A sufficient amount of permanent capital stock is issued in connection with the voluntary supervisory conversion to allow the institution to meet its capital requirement as established by the FDIC immediately upon completion of the conversion; or (B) the FDIC has indicated that, based upon the institution's proposed post-conversion operating plan, the institution would be a viable entity following the conversion and would achieve a capital level acceptable to the FDIC within a period satisfactory to the FDIC.

§ 563b.26 No equity value realizable upon liquidation.

A finding that no equity value would be realized upon liquidation by members of an insured institution shall be based upon a demonstration that the institution is insolvent under generally accepted accounting principles.

§ 563b.27 Viability of converted insured institution.

(a) An application of an insured institution to convert pursuant to this subpart may be approved by the Board in its discretion if it finds that the FSLIC-insured institution will be a "viable entity" following the conversion.

(b) A converting FSLIC-insured institution is a "viable entity" if either § 563b.27 (b)(1) or (b)(2), and § 563b.27(b)(3) are met.

(1) As part of the plan of conversion, the prospective acquirer shall infuse sufficient capital to enable the institution to achieve a ratio of net worth to total liabilities, computed in accordance with generally accepted accounting principles, of four-and-one-half percent (4.5%), or

(2) As part of the plan of conversion, the prospective acquirer shall infuse capital sufficient at the time of conversion to increase the institution's net worth, computed in according to generally accepted accounting principles, to one percent (1%) of total liabilities, and undertake in a writing to the Corporation that the acquirer will infuse additional capital as necessary to enable the institution to increase its net worth on a scheduled basis to comply with the Board's net worth requirements then in effect within five years of the date of conversion, *and* the potential acquirer will agree in writing that upon failure to achieve scheduled net worth levels on or before the due date or to adhere in all material aspects to the business plan submitted as part of the supervisory conversion application, the institution's consent agreement with the FSLIC would become effective, proxies to vote the acquirer's shares in the institution would permanently vest with the PSA, and/or the employment of all executive officers of the institution could be terminated in the absolute discretion of the Board or its delegate, and

(3) The transaction taken as a whole is in the best interests of, and does not present the potential for injury to, the converting institution, its depositors or the FSLIC.

(c) The institution undertaking a supervisory conversion shall agree to file with the Board annual and quarterly disclosure statements conforming to the requirements of Forms 10K and 10Q under the Securities Exchange Act of 1934 (*see* 17 CFR 240.13a–1 and 13a–13) for three years following the conversion.

§ 563b.28 Application for voluntary supervisory stock conversion.

An insured institution may apply for Board approval of a voluntary supervisory conversion pursuant to this subpart by filing the following information and documents in accordance with the procedures specified in § 563b.29 of this subpart:

(a) The plan of conversion adopted by the board of directors of the institution shall contain at a minimum the name and address of the insured institution; the names, addresses, dates and places of birth, and social security numbers of the proposed purchasers of conversion stock and their relationship to the insured institution; the title, per-unit par value, number, and per-unit and aggregate offering price of shares of conversion stock to be authorized and issued; the number and percentage of shares of conversion stock to be purchased by each investor, the aggregate number and percentage of shares of conversion stock to be purchased by directors, officers or their affiliates and associates (as defined in § 563b.2(a) of this part); the form of consideration to be paid for the conversion stock; and certified copies of all resolutions of the board of directors relating to the Plan.

(b) A copy of any agreements between the insured institution and the proposed conversion stock purchasers.

(c) An opinion of qualified, independent counsel or an independent, certified public accountant regarding the tax consequences to the insured institution arising from the conversion, or an Internal Revenue Service ruling that the transaction qualifies as a tax-free reorganization.

(d) The business plan, acceptable to the appropriate Federal Home Loan Bank and ORPOS which shall contain a description of the proposed operating policies of the insured institution following the conversion, including a statement as to how the conversion proceeds will be used, and a projection of the insured institution's results of operations for the three-year period following completion of the conversion. The insured institution shall specify the assumptions on which its projections are based.

(e) A savings and loan holding company application or a Change-in-Control Act Notice for each proposed conversion stock purchaser as required by § 574.3 of this subchapter, whichever is applicable, and the certifications required by Memorandum SP–51 issued by ORPOS.

(f) The proposed charter and bylaws of the converted insured institution.

(g) The proposed stock certificate form.

(h) A description of all existing and proposed employment contracts.

(i) All filings required under the securities offering rules of 12 CFR Part 563g.

(j) A subordinated debt application, if applicable.

(k) Applications for permission to organize a stock institution, Federal Home Loan Bank membership, insurance of accounts, and merger, if applicable.

(l) An opinion of an independent certified public accountant regarding the appropriateness of the accounting treatment for the transaction and the conformity of such accounting treatment to generally accepted accounting principles and Memorandum No. R–55 of ORPOS.

(m) Information to support the value of any non-cash assets to be contributed to the insured institution in connection with the voluntary supervisory conversion. Appraisals submitted in this connection must meet the standards of Memorandum No. R–41b of ORPOS.

(n) A description of the estimated expenses of the voluntary supervisory conversion to the insured institution.

(o) The insured institution's most current audited and unaudited financial information prepared in accordance with generally accepted accounting principles.

(p) An opinion of independent counsel that the voluntary supervisory conversion of a state-chartered insured institution to state stock form is authorized under applicable state law.

(q) A specific description of any of the features of the insured institution's application that do not conform to the requirements of this subpart.

(r) A specific description of and detailed justification for any waivers or supervisory forbearances that are requested as part of the voluntary supervisory conversion.

§ 563b.29 Procedural requirements.

(a) *Filing of voluntary supervisory conversion application.* An insured institution seeking to convert pursuant to this subpart shall file an original and one copy of its supervisory conversion application containing the information and documents specified in § 563b.26 of this subpart with the Corporate and Securities Division of the Board's Office of General Counsel, with one copy each to ORPOS and to the appropriate Principal Supervisory Agent ("PSA"). The application shall be deemed to be filed on the date received by the Corporate and Securities Division.

(b) *Incomplete application.* An application for supervisory stock conversion that does not contain all of the applicable information and documents specified in § 563b.28 shall constitute an incomplete application, and the PSA shall continue to seek other appropriate supervisory resolutions of the institution's financial condition pending the filing of a complete application.

(c) The Board delegates to the General Counsel or his designee, the authority to approve applications for voluntary supervisory conversions except in those applications presenting a significant issue of law or policy, and to exercise the authority of the Board pursuant to this section.

(d) *Termination or amendment of charter.* (1) Upon Board approval of a plan of supervisory stock conversion of a state-chartered insured institution or a Federally-chartered insured institution which is converting to a state-chartered stock insured institution, the mutual charter of such insured institution shall terminate upon issuance to it of a stock charter under the laws of the state in which its home office is located. If such converting insured institution is a Federally-chartered insured institution, its Federal charter shall be surrendered promptly to the Board for cancellation. An insured institution converting to a state-chartered stock insured institution shall promptly file with the Corporation a copy of the stock charter issued to it. The certificate of insurance of such insured institution shall be surrendered promptly to the Corporation for amendment or cancellation, and the Corporation shall promptly issue an amended or new certificate of insurance to the converted insured institution.

(2) A Federally-chartered mutual insured institution converting to a Federally-chartered stock insured institution shall apply to amend its charter and bylaws to read in the form of charter and bylaws for a Federal stock charter. The effective date of such amendment shall be stated in the Board's resolution approving the conversion.

(3) The corporate existence of a Federally-chartered mutual insured institution converting to a Federally-chartered stock insured institution shall be deemed to be a continuation of the entity of the institution so converted. In the case of a state-chartered mutual insured institution converting to a state-chartered stock insured institution, unless state law otherwise prescribes, the corporate existence of the converting mutual insured institution shall similarly not terminate and the converted insured institution shall be deemed to be a continuation of the entity of the insured institution so converted.

§ 563b.30 Conditions of approval.

Board approval of a supervisory conversion application will be conditioned upon the following:

(a) Completion of the sale of conversion stock within a maximum of three months after the Board approves the application, or within such additional period as the General Counsel or his designee may for good cause grant;

(b) Compliance with all filing requirements of 12 CFR Part 563g;

(c) Submission of an opinion of independent legal counsel that all applicable state securities law requirements have been met in connection with the sale of the institution's conversion stock;

(d) Compliance with all applicable laws, rules, and regulations; and

(e) Satisfaction of any other requirement or condition the Board or its delegate may impose.

§ 563b.31 Sale of conversion stock.

Each insured institution that converts pursuant to this subpart shall offer and sell its conversion stock pursuant to the requirements of 12 CFR Part 563g.

§ 563b.32 Expenses.

Expenses incurred by an insured institution in connection with its voluntary supervisory conversion application shall be reasonable and, with respect to a FSLIC-insured institution, shall not be in an amount such that the payment of such expenses would render the proceeds to the institution from the sale of its conversion stock insufficient to satisfy the viability requirement of § 563b.27 of this subpart.

§ 563b.33 Employment contracts.

An applicant for voluntary supervisory conversion must justify any employment contract incidental to the conversion, and otherwise demonstrate that the making of such an employment contract by an insured institution would not be an unsafe or unsound practice or represent a sale of control. The Board shall determine the permissibility of such contract based upon, at a minimum, the applicant's justification for the contract, the term, salary, and severance provisions of the contract, the identity and background of the officer or employee who is subject to the employment contract, and the amount of the conversion stock to be purchased by such officer or employee or his affiliates or associates. The Board generally will disfavor an employment contract incident to a voluntary supervisory conversion with a term in excess of one year granted to existing management of an insured institution.

Subpart D—Guidelines for Modified Conversions

21. Part 563b is further amended as follows:

A. Sections 563b.34, 563b.39, and 563b.40 are revised to read as set forth below.

B. Section 563b.38 is removed.

C. Section 563b.37 is redesignated as § 563b.38 and revised to read as set forth below.

D. Section 563b.36 is redesignated as the new § 563b.37 and revised to read as set forth below.

E. Section 563b.35 is redesignated as the new § 563b.36 and revised to read as set forth below.

F. New §§ 563b.35 and 563b.41 are added to read as set forth below.

§ 563b.34 Scope of subpart.

(a) This subpart establishes guidelines for modified conversion from the mutual to stock form of insured institution as authorized or ordered by the Board

pursuant section 5(i) (1) and (2) and 5(p) of the Home Owners' Loan Act, 12 U.S.C. 1464(i) (1) and (2), (p) and section 402(i) of the National Housing Act, 12 U.S.C. 1725(j) or of an FDIC-insured savings bank as concurred in by the Board pursuant to section 5(o) of the Home Owners' Loan Act, 12 U.S.C. 1464(o).

(b) The provisions of this subpart are not exclusive and maybe waived by the Board.

§ 563b.35 Modified stock conversion.

A modified conversion generally is available to an institution that fails to meet its regulatory net worth requirement. In a modified conversion, the substantive and procedural rights granted to members in mutual insured institutions converting under Subpart A may be restricted in order to meet the needs of an insured institution whose financial condition has deteriorated such that a standard conversion is not feasible. Modified conversions may be effected without the approval of members, must involve sales of conversion stock at an aggregate price in excess of the *pro forma* market value of the institution as determined by an independent appraiser, and involve the limitation of members' preemptive rights.

§ 563b.36 Purpose of subpart.

The purpose of this subpart is to give guidance to insured institutions and potential acquirors of the stock of insured institutions regarding the qualification of insured institutions for a modified conversion under this subpart, and guidance as to the extent to which the Board will permit, by means of a modified conversion, deviance from the substantive and procedural requirements adopted by the Board for standard conversions under Subpart A of this part.

§ 563b.37 Qualification for modified conversion.

(a) The Board may, in its discretion, approve or order a modified conversion if it finds that: (1) The insured institution does not meet its regulatory net worth requirement calculated according to generally accepted accounting principles; and (2) That the projected net proceeds of the sale of conversion stock by the insured institution in a standard conversion under Subpart A, as demonstrated by an appraisal determined to the acceptable to the Board, would not be sufficient to meet the institution's regulatory net worth requirement computed in accordance with generally accepted accounting principles.

(b) The Board may, in its discretion, concur that an FDIC-insured mutual savings bank qualifies for a modified conversion to federally-chartered stock savings bank form if the Federal Deposit Insurance Corporation certifies to the Board in accordance with section 5(p)(2)(F)–(H) of the Home Owners' Loan Act that severe financial conditions exist that threaten the stability of the savings bank and conversion to the federally-chartered stock savings bank form is likely to improve the financial condition of the savings bank.

§ 563b.38 Authorization of modified conversion.

(a) All of the provisions of Subpart A of this part shall apply to a conversion undertaken pursuant to the subpart unless clearly inapplicable.

(b) The Board may authorize the conversion to the stock form of an insured institution under this subpart upon the filing of an application approved by resolution of the majority of the board of directors of the institution, but neither the Board nor the institution would be required to secure the prior approval of the institution's members of the conversion.

(c) An insured institution that has converted to the stock form pursuant to this subpart is required to establish a liquidation account on behalf of the institution's members as required under § 563b.3(f) of this part.

(d) An insured institution converting under this Subpart D shall sell its stock at an aggregate price exceeding the estimated pro forma market value of the institution, including an appropriate control premium, based on an independent valuation, as provided in § 563b.7 of this part.

(e) The Board may, in its discretion, approve an application for conversion pursuant to this subpart if it is demonstrated to the Board's satisfaction, through a submission prepared by an independent investment banking firm or other qualified person, that the (1) net capital to be received from the sale by the converting insured institution of its capital stock pursuant to this subpart, cause the insured institution to meet its regulatory net worth requirement computed in accordance with generally accepted accounting principles and (2) the transactions would benefit the institution, its depositors, and the FSLIC.

(f) The eligible accountholders, the supplemental eligible accountholders, and the voting members, if any, of the insured institution converting pursuant to this subpart shall be granted subscription rights to purchase all of the stock proposed to be issued by the insured institution, in accordance with the rules and regulations of Subpart A of this part, except that such subscription rights may be eliminated or reduced as follows: (1) If the regulatory net worth of the institution is between 0 percent of an institution's liabilities and one-third of its regulatory net worth requirement under § 563.13, such subscription rights may be reduced to an amount between 0 percent and 20 percent to be determined on a sliding scale on the basis of the institution's regulatory net worth; (2) If the regulatory net worth of the institution is more than one-third but not in excess of two-thirds of its regulatory net worth requirement under § 563.13, subscription rights may be reduced to an amount between 20 percent and 50 percent of the total stock to be offered, such percentage between 20 percent and 50 percent to be determined on a sliding scale of the basis of the institution's regulatory net worth; and (3) If the regulatory net worth of the institution is more than two-thirds of its regulatory net worth requirement but not in excess of the institution's regulatory net worth requirement, subscription rights may be reduced to an amount between 50 percent and 100 percent to be determined on a sliding scale on the basis of the institution's regulatory capital. Regulatory net worth for purposes of this paragraph shall be computed in accordance with generally accepted accounting principles.

(g) An acquiror of a controlling interest in an institution undertaking a modified conversion shall pay a control premium in such an amount and in such form determined to be acceptable by the Office of General Counsel.

(h) For three years following the date of completion of a modified conversion, any controlling shareholder or the converted institution may not acquire shares from minority shareholders without first obtaining prior Bank approval of such purchases and offering fair value, as determined through an independent appraisal which takes into consideration the value of the institution on a "going concern" basis including, but not limited to, an evaluation of historical earnings, future prospects for earnings, financial conditions, any arms' length trades in the stock, net asset value, dividends record, investment value, and book value.

§ 563b.39 Application for modified conversion.

An insured institution may apply for Board approval of a modified conversion pursuant to this subpart by filing in accordance with the procedures

specified in § 563b.8 of this part an application which includes the following information and documents:

(a) The plan of conversion adopted by the board of directors of the institution. The plan of conversion shall contain at a minimum the name and address of the insured institution; the names, addresses, dates and places of birth, and social security numbers of the proposed purchasers of conversion stock and their relationship to the insured institution; the method of stock sale; the title, per-unit par value, number, and per-unit and aggregate offering price of shares of conversion stock to be authorized and issued; the number and percentage of shares of conversion stock to be purchased by each investor, the aggregate number and percentage of shares of conversion stock to be purchased by directors, officers or their affiliates and associates (as defined in § 563b.2(a) of this part); the form of consideration to be paid for the conversion stock; and certified copies of all resolutions of the board of directors relating to the plan.

(b) A copy of any agreements between the insured institution and the proposed conversion stock purchasers.

(c) An opinion of qualified, independent counsel or an independent, certified public accountant regarding the tax consequences to the insured institution arising from the conversion, or an Internal Revenue Service ruling that the transaction qualifies as a tax-free reorganization.

(d) A business plan acceptable to the appropriate Federal Home Loan Bank and ORPOS, which shall contain a description of the proposed operating policies of the insured institution following the conversion, including a statement as to how the conversion proceeds will be used, and a projection of the insured institution's results of operations for the three-year period following completion of the conversion. The insured institution shall specify the assumptions on which its projections are based.

(e) A savings and loan holding company application or a Change-in-Control Act Notice for each proposed conversion stock Purchaser as required by § 574.3 of this subchapter, whichever is applicable, and the certifications required by Memorandum SP–51 issued by ORPOS.

(f) The proposed charter and bylaws of the converted insured institution.

(g) The proposed stock certificate form.

(h) A description of all existing and proposed employment contracts.

(i) An independent valuation of the proposed stock offering prepared in accordance with § 563b.7 of this part.

(j) All filings required under the securities offering rules of 12 CFR Part 563g.

(k) A subordinated debt application, if applicable.

(l) Applications for permission to organize a stock institution, Federal Home Loan Bank membership, insurance of accounts, and merger, if applicable.

(m) An opinion of an independent certified public accountant regarding the appropriateness of the accounting treatment for the transaction and the conformity of such accounting treatment to generally accepted accounting principles and Memorandum No. R–55 of ORPOS.

(n) Information to support the value of any non-cash assets to be contributed to the insured institution in connection with the modified conversion. Appraisals submitted in this connection must meet the standards of Memorandum No. R–41b of ORPOS.

(o) A description of the estimated expenses of the modified conversion to the insured institution.

(p) The institution's most current audited and unaudited financial information prepared in accordance with generally accepted accounting prinicples.

(q) An opinion of independent counsel that the modified conversion of a state-chartered insured institution to state stock form is authorized under applicable state law.

(r) A specific description of any of the features of the insured institution's application that do not conform to the requirements of this subpart.

(s) A specific description of and detailed justification for any waivers or supervisory forbearances that are requested as part of the modified conversion.

§ 563b.40 Sale of stock.

(a) *General.* No offer to sell securities of an applicant pursuant to a plan of modified conversion may be made prior to approval by the Corporation of the application for conversion. No sale of securities may be made except by means of a final offering circular which has been declared effective by the Corporation.

(b) *Delegation.* The Board delegates to the General Counsel or his designee the authority of the Corporation to declare a final offering circular effective.

§ 563b.41 Procedural Requirements.

(a) *Filing of modified conversion application.* An insured institution seeking to convert pursuant to this subpart shall file an original and one copy of its modified conversion application containing the information and documents specified in § 563b.26 of this subpart with the Corporate and Securities Division of the Board's Office of General Counsel, with one copy each to ORPOS and to the appropriate Principal Supervisory Agent ("PSA"). The application shall be deemed to be filed on the date received by the Corporate and Securities Division.

(b) *Incomplete application.* An application for modified stock conversion that does not contain all of the applicable information and documents specified in § 563b.28 shall constitute an incomplete application, and shall not be approved pending the filing of a complete application.

(c) The Board delegates to the General Counsel or his designee, the authority to approve applications for modified conversions except in those applications presenting a significant issue of law or policy, and to exercise the authority of the Board pursuant to this section.

(d) *Termination or amendment of charter.* (1) Upon Board approval of a plan of modified stock conversion of a state-chartered insured institution or a Federally-chartered insured institution which is converting to a state-chartered stock insured institution, the mutual charter of such insured institution shall terminate upon issuance to it of a stock charter under the laws of the state in which its home office is located. If such converting insured institution is a Federally-chartered insured institution, its Federal charter shall be surrendered promptly to the Board for cancellation. An insured institution converting to a state-chartered stock insured institution shall promptly file with the Corporation a copy of the stock charter issued to it. The certificate of insurance of such insured institution shall be surrendered promptly to the Corporation for amendment or cancellation, and the Corporation shall promptly issue an amended or new certificate of insurance to the converted insured institution.

(2) A Federally-chartered mutual insured institution converting to a Federally-chartered stock insured institution shall apply to amend its charter and bylaws to read in the form of charter and bylaws for a Federal stock charter. The effective date of such amendment shall be stated in the Board's resolution approving the conversion.

(3) The corporate existence of a Federally-chartered mutual insured institution converting to a Federally-chartered stock insured institution shall

be deemed to be a continuation of the entity of the institution so converted. In the case of a state chartered mutual insured institution converting to a state-chartered stock insured institution, unless state law otherwise prescribes, the corporate existence of the converting mutual insured institution shall similarly not terminate and the converted insured institution shall be deemed to be a continuation of the entity of the insured institution so converted.

22. The authority citation for 12 CFR Part 574 is revised to read as follows:

Authority: Sec. 407, 48 Stat. 1260, as amended (12 U.S.C. 1730); and Sec. 408; 82 Stat. 5, as amended (12 U.S.C. 1730a).

PART 574—ACQUISITION OF CONTROL OF INSURED INSTITUTIONS

23. Amend § 574.2 by revising paragraph (c)(3) to read as follows:

§ 574.2 Definitions.

* * * * *

(c) * * *

(3) A person or company which acts in concert with another person or company ("other party") shall also be deemed to be acting in concert with any person or company who is also acting in concert with that other party, except that any tax-qualified employee stock benefit plan as defined in § 563b.2(a)(37) will not be deemed to be acting in concert with its trustee or a person who serves in a similar capacity solely for the purpose of determining whether stock held by the trustee and stock held by the plan will be aggregated.

* * * * *

24. Amend § 574.3 by adding a paragraph (c)(1)(vi) to read as follows:

§ 574.3 Acquisition of control of insured institutions.

* * * * *

(c) *Exempt transactions.*

(1) * * *

(vi) Acquisitions of up to twenty-five percent (25%) by a tax-qualified employee stock benefit plan as defined in § 563b.2(a)(37).

25. Amend § 574.4 by revising paragraph (d)(6) to read as follows:

§ 574.4 Control.

* * * * *

(d) * * *

(6) A person or company will be presumed to be acting in concert with any trust for which such person or company serves as trustees, except that a tax-qualified employee stock benefit plan as defined in § 563b.2(a)(37) shall be presumed not to be acting in concert with its trustee or person acting in a similar fiduciary capacity solely for the purposes of determining whether to combine the holdings of a plan and its trustee or fiduciary.

* * * * *

26. Amend § 574.8 by adding a new paragraph (a)(1)(v) to read as follows:

§ 574.8 Delegations of authority.

(a) * * *

(1) * * *

(v) The insured institution to be acquired is not required under § 563g.2 of this chapter to file an offering circular with the Board.

The Federal Home Loan Bank Board.

Jeff Sconyers,

Secretary.

[FR Doc. 86-19408 Filed 8-28-86; 8:45 am]

BILLING CODE 6720-01-M

federal register

Friday
August 29, 1986

Part III

Environmental Protection Agency

40 CFR Part 86

Standards for Emissions From Methanol-Fueled Motor Vehicles and Motor Vehicle Engines; Notice of Proposed Rulemaking

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 86

[AMS-FRL 2947-5]

Standards for Emissions From Methanol-Fueled Motor Vehicles and Motor Vehicle Engines

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of proposed rulemaking.

SUMMARY: This notice proposes low- and high-altitude emission standards and test procedures for the certification of methanol-fueled light-duty vehicles, light-duty trucks, heavy-duty engines and vehicles, and motorcycles beginning with the 1988 model year. The proposed carbon monoxide (CO), nitrogen oxides (NO_x), and particulate standards are identical to those for current vehicles. Particulate and smoke standards, which currently apply only to diesel-fueled engines and vehicles, are proposed for methanol-fueled engines and vehicles which are non-throttled in normal operation. Idle CO standards, currently applicable only to gasoline-fueled vehicles, are proposed for both throttled and non-throttled methanol-fueled vehicles. For all classes of methanol-fueled vehicles and for methanol-fueled motorcycles, no crankcase emissions would be allowed. Also proposed are exhaust and evaporative standards for non-oxygenated and oxygenated hydrocarbon (HC) emissions (i.e., organics) that would basically control carbon emissions from methanol-fueled vehicles to a level which is equivalent to that emitted from gasoline- and diesel-fueled vehicles under the current HC standards. Particulate and NO_x emissions averaging programs are proposed for methanol-fueled vehicles of every class for which such programs exist for current vehicles. Averaging would not be permitted between methanol-fueled vehicles and gasoline- or diesel-fueled vehicles.

Due to the high cost of publication of the entire set of proposed regulations in the Federal Register, the proposed regulations themselves are not published with this notice. They are entitled "Proposed Emission Standards and Test Procedures for Methanol-Fueled Vehicles," and are available free of charge from the EPA contact person named below. The proposed rules will also be available for inspection as item III-A-2 in the rulemaking docket. The substance of the proposed rule and the issues involved are described in later sections of this preamble.

DATES: EPA will conduct a public hearing on this Notice of Proposed Rulemaking on October 30, 1986, in Ann Arbor, Michigan. The hearing will convene at 9:00 a.m. and will adjourn at such time as is necessary to complete the testimony. Comments on this notice will be accepted until November 28, 1986.

ADDRESSES: The public hearing will be held in the Conference Room of the Environmental Protection Agency, Motor Vehicle Emission Laboratory, 2565 Plymouth Road, Ann Arbor, Michigan 48105. Written comments should be submitted (in duplicate if possible) to: Central Docket Section (LE-130), Environmental Protection Agency, Attention: Docket No. A-84-05, 401 M Street SW., Washington, DC 20460.

Materials relevant to this rulemaking are contained in Docket No. A-84-05. The docket is located at the above address in the West Tower Lobby, Gallery 1, and may be inspected between 8 a.m. and 4 p.m. on weekdays. A reasonable fee may be charged by EPA for copying docket materials.

FOR FURTHER INFORMATION CONTACT: Mr. Michael Gold, Emission Control Technology Division, U.S. Environmental Protection Agency, 2565 Plymouth Road, Ann Arbor, MI 48105, Telephone: (313) 668-4227.

SUPPLEMENTARY INFORMATION:

I. Extended Summary of the Proposal

Today's notice proposes emission standards for methanol-fueled vehicles and engines. Table 1 summarizes the proposed standards for the various classes of motor vehicles and engines.

As discussed in the ANPRM, EPA had originally intended to propose a method for determining the amount of methanol fuel which is equivalent to one gallon of gasoline so that methanol-fueled vehicles could be included in the CAFE standards and Gas Guzzler Tax programs. However, the enabling legislation for those programs requires that the Secretary of Transportation (in the case of the CAFE program) and the Secretary of the Treasury (in the case of the Gas Guzzler program) specifically include methanol within the regulatory domain of those programs. To date this has not occurred, nor does such action appear imminent. Therefore EPA is not presently proposing any rules related to this subject.

EPA had also intended to propose fuel economy labeling requirements for light-duty methanol vehicles; however, this program is authorized under the same law as the CAFE program. Thus the present notice proposes no action in the area of labeling.

II. Development of the Proposal

For over a decade, there has been active interest in the use of essentially pure ("neat") alcohols as alternative transportation fuels.[1] Work in this area has increasingly centered on methanol (CH_3OH) for three general reasons. First, the technology to produce methanol from non-petroleum energy sources such as natural gas, coal, wood, or other biomass is well known, and its production economics appear significantly better than other synthetic fuels from these sources. Second, Otto-cycle engines designed to operate on methanol have the potential to be more energy efficient (work output per thermal energy input) than similar gasoline-fueled engines, and when used in diesel engines, methanol appears to provide the same energy efficiency. Third, engines operating on methanol, including diesel engines, have the potential to emit relatively low levels of both NO_x and particulate matter. The control of these two pollutants from diesel engines is technologically difficult, yet environmentally desirable.

Methanol's ability to reduce both NO_x and particulate emissions without losing the fuel efficiency advantage of the diesel engine is a significant environmental attribute. In addition, methanol as a fuel does not require octane enhancers to prevent engine knock, so additives such as lead, ethylene dibromide, and benzene are avoided.

The interest in methanol is not just academic. Methanol-fueled vehicles have been built in limited production runs by major automobile companies (i.e., Ford and Volkswagen), and large test fleets are being run in California and several other parts of the world. For example, the California Energy Commission is currently operating over 500 methanol-fueled vehicles and the Bank of America is operating over 250 such vehicles. These programs demonstrate the possibility that methanol-fueled vehicles could enter the marketplace in significant numbers in the relatively near future.

Before methanol-fueled vehicles are sold in significant numbers, however, consideration must be given to the appropriate emission standards for such vehicles. EPA's current emission standards and test procedures apply to

[1] Neat methanol fuel, as discussed herein, is to be distinguished from methanol blends where a small amount of methanol (e.g., 2-5 percent) is mixed with gasoline and sold as gasoline.

gasoline- and diesel-fueled vehicles. However, section 202 of the Clean Air Act (CAA), 42 U.S.C. 7521, requires control of certain emissions from all vehicles regardless of fuel type. (Vehicles and engines are generally referred to collectively as vehicles throughout this notice.) Thus, methanol-fueled vehicles would become the third major type of certified vehicle and would be subject to both pre-production and in-use requirements. Methanol producers and vehicle manufacturers are aware that certain emission control requirements will apply to methanol-fueled vehicles. However, the current uncertainty regarding the applicable emission standards and associated test procedures is adding to the other unknowns present in establishing a new fuel/vehicle combination.

This area of uncertainty is a potential impediment to the development of methanol as a transportation fuel according to a report by the General Accounting Office [2] and, along with other issues, has led to the formation of a Cabinet Council Work Group on methanol.

As a first step in eliminating any such hindrance, EPA published an Advanced Notice of Proposed Rulemaking (ANPRM) in the Federal Register on April 10, 1984 (49 FR 14244), which initiated the development of suitable emission standards and test procedures for the certification of methanol-fueled light-duty vehicles (LDVs), light-duty trucks (LDTs), heavy-duty engines (HDEs), and motorcycles (MCs). The ANPRM was followed by a workshop on May 30, 1984, to provide an opportunity for the informal presentation and discussion of views regarding the subjects raised in the notice.

This Notice of Proposed Rulemaking is the next step in developing appropriate rules for methanol-fueled vehicles. In preparing this proposal, the Agency has fully considered all of the comments submitted in response to the ANPRM and those presented at the public workshop on this subject. Today's notice presents a brief overview of the more detailed analyses contained in the Regulatory Support Document for this action. Any reader interested in additional information is referred to that document, which is available for review in the public docket, or which may be obtained by writing the Agency contact person listed above.

[2] The report entitled, "Removing Barriers to the Market Penetration of Methanol Fuels," is available for review in EPA Docket No. A-84-05.

III. Development of the Proposed Emission Standards

In general, EPA proposes that standards for methanol-fueled vehicles be set to correspond with standards already applicable to gasoline- and diesel-fueled vehicles, as appropriate.[3] More specifically, where gasoline- and diesel-fueled vehicles are governed by the same standard for a particular pollutant, methanol-fueled vehicles would also be required to meet that standard if they emit that pollutant. Where gasoline and diesel vehicles are governed by different standards [4], methanol vehicles would be required to meet the standard which is applicable to the vehicle type whose emissions of the relevant pollutant are most like those of methanol vehicles. Only where methanol vehicles emit pollutants not controlled from gasoline or diesel vehicles would they be governed by standards set specifically for methanol vehicles.

EPA believes this overall approach is appropriate for several reasons. First, the emission control requirements of the Clean Air Act do not distinguish between vehicles operating on different fuels, but generally apply to all vehicles regardless of fuel type. The legislative history of the Act indicates that Congress generally contemplated common emission standards for vehicles of different fuel types. Second, EPA previously took this approach in setting standards for diesel-fueled vehicles based on standards applicable to gasoline-fueled vehicles (for example, see 50 FR 10606.) Third, this approach would provide equal environmental protection from vehicles of different fuel types, since their emissions of common pollutants would be controlled to the same levels. Fourth, methanol-fueled vehicles are expected to be similar in type, size, and function to their petroleum-fueled counterparts, so it would be equitable to require them to comply with the same standards.

Moreover, EPA generally believes it would be unwise to set more stringent standards for methanol-fueled vehicles than those applicable to gasoline- or diesel-fueled vehicles. As noted above, methanol as an automotive fuel has significant environmental advantages over gasoline and diesel fuels. Setting more stringent standards than those applicable to gasoline and diesel vehicles would likely discourage manufacturers from developing methanol vehicles, and thus may be environmentally counterproductive in the long run. If the control of any particular pollutant is desired beyond that provided for by the present standards, it would be more appropriate to adopt tighter standards for all fuel types so that the current market equity is maintained. Such a consideration of future emission control requirements, however, is outside the scope of this rulemaking.

[3] Currently, emission standards for gasoline-fueled vehicles apply to exhaust hydrocarbons (HC), carbon monoxide (CO), nitrogen oxides (NO_x), evaporative HC, and crankcase emissions. The standards for vehicles using diesel engines apply to exhaust HC, CO, NO_x, crankcase emissions, particulate, and smoke.

[4] Where current diesel- and gasoline-fueled vehicle standards differ, the relevant emissions for one class are well below that of the other class and are also below the level needed for environmental protection. In these cases, no standard is applied to the lower emitting class, since compliance with the otherwise applicable standard can be assumed.

A. Timing of Methanol-Fueled Vehicle Standards

From an environmental perspective, the timing of emission standards is principally dependent upon when methanol-fueled vehicles will reach the market in significant numbers. The Agency finds it very unlikely that such vehicles would be mass-produced for public sale anytime before the late 1980's based on the present state of development.

Also important is the leadtime that may be required for manufacturers to respond to emission control requirements. As discussed in greater detail later, the Agency fully expects all methanol-fueled vehicles to be able to comply with the proposed standards using the same technology being applied to gasoline- and diesel-fueled vehicles. Thus, the only leadtime necessary is that for the development of specific applications, procurement of componentry, and certification. (Leadtime for developing methanol emission testing procedures and facilities will be minimal, given their overall similarity to current test protocols.) Since this process can proceed concurrently with, but no faster than, the development of other, non-emissions related equipment specific to methanol-fueled vehicles, it is likely to be completed no sooner than the late 1980's. Accordingly, the late 1980's would appear to be a feasible time frame for methanol-fueled vehicle emission standards. Since a number of emission standards for light-duty trucks and heavy-duty engines become initially effective in the 1988 model year, EPA is proposing that the regulations applicable to methanol-fueled vehicles also become effective beginning in the 1988 model year.

B. Standards for CO, NO_x, Smoke, and Particulate

As discussed above, the Agency finds that where numerically identical standards presently apply to petroleum-fueled vehicles regardless of fuel type, the same standards should be adopted for methanol-fueled vehicles. This is the case with regard to the current CO and NO_x emission standards. For example, the same 3.4 g/mi CO emission standard that now applies to gasoline- and diesel-fueled LDVs should also apply to methanol-fueled LDVs. Therefore, EPA proposes that the same CO and NO_x standards should apply to all vehicles regardless of fuel type.

For particulate and smoke, where current emission standards apply only to diesel-fueled vehicles, the Agency finds that the same control requirements should apply to methanol-fueled vehicles with characteristics similar to those of diesel vehicles. A useful method for determining the applicability of the standards is to equate specific methanol-fueled engines with their petroleum-fueled counterparts based on the method used in controlling the engine's power output, i.e., the use or non-use of a throttle to regulate the fuel rate. The Agency expects that smoke and particulate emission characteristics of methanol-fueled engines which are not throttled in normal operation will tend to be similar to those of non-throttled petroleum-fueled (i.e., diesel) engines. Likewise, throttled methanol-fueled engines should be, like throttled petroleum-fueled (i.e., gasoline-fueled) engines, relatively free of smoke and particulate emissions. Thus, the smoke and particulate standards which currently apply to diesel vehicles would apply only to non-throttled methanol-fueled vehicles. Should, however, smoke or particulate emissions from throttled methanol-fueled vehicles approach levels where standards appear necessary, appropriate action would be taken.

Idle CO standards, which currently apply only to certain gasoline-fueled vehicles, are being proposed for all corresponding methanol-fueled vehicles, regardless of whether or not they are throttled in normal operation. The reason that a distinction is made between the treatment of smoke and particulate emissions and the treatment of idle CO is that one prototype methanol-fueled engine is predominately non-throttled in normal operation but relies on a throttle during idle. Thus, in the absence of a standard, the fuel/air mixture at idle may be sufficiently rich as to result in CO emissions above the applicable standard for throttled engines.

The Agency believes that exceptions to the above standards could possibly be made in the form of a waiver of test requirements where emissions of a regulated pollutant from a methanol-fueled vehicle are expected to always remain below the level of the applicable standard. (This is currently done with the CO standard for HD diesel engines.) Under this alternative approach, a smoke standard for non-throttled, methanol-fueled vehicles may be unnecessary because the smoke levels associated with these engines should be extremely low compared to current diesel engines. The same may be true, albeit to a lesser extent, for some of the diesel particulate standards applicable to LDVs, LDTs, and HDEs. While there is reason to suspect that certain emissions will generally be lower than the applicable standards, a lack of actual emission data makes it impossible to prove that this is actually the case. Therefore, the Agency finds it prudent to propose that standards be applied as discussed above.

Due to the limited data on smoke and particulate emissions from non-throttled, methanol-fueled engines, the Agency specifically requests comments on the likelihood that HDEs operating on this fuel would automatically comply with the proposed particulate standards of 0.60 g/BHP-hr beginning in the 1988 model year and 0.25 g/BHP-hr beginning in the 1991 model year. Comments are similarly requested on the need for the proposed LDV and LDT particulate standards of 0.20 g/mi and 0.26 g/mi, respectively, beginning in the 1988 model year.

C. Ozone-Related Standards

1. Overview

Congress included the control of HC emissions from motor vehicles in the Clean Air Act to reduce photochemical oxidants, or ozone, in the atmosphere. For this reason, EPA believes that organic emissions from methanol-fueled vehicles should be limited to ensure that they produce no more ozone than current vehicles.

It is important to note that the exhaust and evaporative emissions from current vehicles and those from methanol-fueled vehicles are significantly different in composition. The photochemically reactive organic emissions from gasoline- and diesel-fueled vehicles are composed almost exclusively of non-oxygenated hydrocarbons (HC). Methanol vehicles emit not only non-oxygenated hydrocarbons, but also substantial quantities of oxygenated hydrocarbons. These oxygenated hydrocarbons are principally methanol, with smaller quantities of formaldehyde in the exhaust. The photochemical reactivity of methanol is significantly less than that of most non-oxygenated hydrocarbons, while formaldehyde is much more photochemically reactive.

The Agency's analysis of the exhaust and evaporative constituents of emissions from prototype methanol-fueled vehicles shows that non-oxygenated HC, methanol and formaldehyde may be emitted in quantities great enough to contribute significantly to the overall ozone-producing potential of these vehicles. For example, one well-tuned LDV operating on methanol without its catalytic converter emitted about 0.8 g/mi non-oxygenated HC, 5 g/mi methanol and 0.2 g/mi formaldehyde. Based on the photochemical modelling discussed later in this section, such levels would cause much more ozone to be formed in the atmosphere per vehicle than that allowed by the current 0.41 g/mi LDV HC standard. Therefore, EPA finds that these vehicles warrant inclusion in the overall HC emission control program for mobile sources.

The Agency believes that the most economically efficient approach to regulating methanol and formaldehyde emissions is to include these pollutants along with non-oxygenated hydrocarbons in a single exhaust organics standard and a single evaporative organics standard, as appropriate, for the various vehicle classes. This approach would allow the amount of each pollutant to vary, thus providing manufacturers with flexibility in developing methanol-fueled vehicles by avoiding constraints caused by specific standards for each pollutant.

Of course, paramount in regulating HC from methanol-fueled vehicles is whether a combined organics standard would provide adequate control of ozone precursor pollutants, or whether in the case of formaldehyde, which is highly reactive, it may be necessary to have a separate standard. With regard to ozone formation potential, EPA's evaluation of the exhaust emission data from prototype methanol-fueled vehicles indicates that even in the worst case, formaldehyde levels do not appear to reach levels that would be of special concern under the combined standard approach. For example, under the proposed standards described below, and assuming a relatively high formaldehyde to methanol emission ratio, the maximum ozone-producing potential from methanol-fueled vehicles is still only around 70 percent that of

current gasoline-fueled vehicles on a per vehicle basis.[5]

Nonetheless, EPA will be able to monitor formaldehyde levels from methanol-fueled engines as they are certified, because HC, methanol, and formaldehyde will be measured and reported separately as part of compliance with any combined standard. This will provide an opportunity to reevaluate the need for a separate formaldehyde standard before these vehicles make up a significant fraction of the motor vehicle fleet. For these reasons, EPA is not proposing a separate standard for formaldehyde based on photochemical reactivity concerns. Nonetheless, comments are specifically requested on the need for such a standard.

2. Presentation of Alternatives

Within the framework of a single, combined organics standard, the Agency has identified three distinctly different standard-setting approaches. Each alternative will be described below using LDVs to illustrate particular aspects of the approaches. The reader is reminded, however, that the standard-setting approach that is ultimately chosen will be used to derive organic emission standards for the various vehicle classes (i.e., LDVs, LDTs, HDEs, and MCs).

The first alternative is the most stringent of those considered and is based on the interpretation that the relevant basis for limiting ozone precursors is total organic emissions mass. It involves adopting the numerical value of the existing HC standards for each vehicle class and requiring that the combined mass of non-oxygenated and oxygenated hydrocarbon does not exceed the applicable standard. Using this standard-setting approach, "total HC" standards for LDVs would be 0.41 g/mi for non-oxygenated hydrocarbons, methanol, and formaldehyde exhaust emissions, and 2.0 g/test for non-oxygenated hydrocarbons and methanol evaporative emissions.

Such standards are expected to result in about 70 percent less ozone production from methanol-fueled vehicles as compared to current gasoline-fueled vehicles on a per vehicle basis (using the photochemical modeling conditions and limitations noted previously). The predicted reduction in ozone production potential under this alternative has two principal causes. First, while unburned methanol is the primary constituent of organic emissions from methanol-fueled vehicles, it is relatively unreactive at the concentrations which would be expected to occur in the atmosphere under such standards. Second, methanol and formaldehyde, which are emitted from methanol-fueled vehicles, contain oxygen atoms which add substantially to the mass of organic emissions but which do not inherently represent increased photochemical reactivity relative to non-oxygenated hydrocarbons.

The second alternative involves deriving methanol-fueled vehicle standards that would be photochemically equivalent to the current HC standards. This can be attempted using the photochemical model described above. By definition, this approach would result in the ozone-producing potential of methanol-fueled vehicles being 100 percent that of current vehicles. This has the obvious advantage of providing equitable treatment for all vehicles with respect to the environmental endpoint: ozone.

This standard-setting approach depends on computer models which simulate a wide array of very complex chemical, climatological, and meteorological interactions. Because of the many variables involved, the effect of methanol and formaldehyde on ozone formation would vary substantially in different urban areas, and no model currently exists that could be characterized as applying to most of the urban areas throughout the nation. To date, modeling has been performed and analyzed in detail for only a one-day ozone episode in a single city, Los Angeles. Single-day modeling is also underway for Philadelphia and such modeling could conceivably be performed for other cities. It would then be possible to establish an ozone equivalency based on some average of the results for several representative cities during single- and multiple-day ozone episodes.

Using only the Los Angeles modeling as a basis, these standards would be implemented for light-duty vehicles under the following equations:

$$0.41\ \frac{g}{mi}\ \text{exhaust} = \frac{g}{mi}\ \text{non-oxygenated HC} + \left(\frac{13.876}{32.042}\right)\left(\frac{g}{mi}\ \text{methanol}\right) + \left(\frac{13.876}{30.026}\right)\left(\frac{g}{mi}\ \text{formaldehyde}\right)$$

$$2.0\ \frac{g}{test}\ \text{Evap.} = \frac{g}{test}\ \text{non-oxy. HC} + \left(\frac{14.359}{32.042}\right)\left(\frac{g}{test}\ \text{diurnal methanol}\right) + \left(\frac{14.228}{32.042}\right)\left(\frac{g}{test}\ \text{hot soak methanol}\right)$$

Where 0.41 g/mi and 2.0 g/test are the current standards, 13.867 is the calculated molecular weight of the empirical carbon/hydrogen unit of exhaust emissions from current vehicles, 14.359 and 14.228 are the molecular weights for the empirical units of current vehicle diurnal and hot soak evaporative emissions respectively, 32.042 is the molecular weight of methanol, and 30.026 is the molecular weight of formaldehyde. Evaporative emissions of non-oxygenated HC as expressed above include both diurnal and hot soak emissions. The equations also contain the factors .02 and 2.95 which weight the photochemical reactivities of the carbon atoms in methanol and formaldehyde, respectively, relative to that of typical hydrocarbons.

The reader should not be misled by the form of the above standards into thinking that the above standards are total mass standards. If both sides of the above equation for exhaust emissions are divided by the molecular weight of current vehicle hydrocarbons (13.876 g/mole C), then the equation is expressed in terms of moles of carbon and it is clear that the standard is actually a photochemically weighted, organic carbon standard, rather than a total organic mass standard. Since photochemical modelling is based primarily on carbon chemistry this format is the most appropriate.

As an example of how the above equations would be used, suppose a vehicle has exhaust emissions of 0.90 g/mile methanol, 0.27 g/mile HC, and 0.07 g/mile formaldehyde. The total mass of

[5] This and all subsequent estimates of ozone production potential are based on a model developed in the Regulatory Support Document showing a reasonably direct relationship between the carbon content of various organic emissions and photochemical reactivity or ozone formation potential. The model is based on the results of a computer simulation of the Los Angeles metropolitan airshed during a single day ozone episode. The absolute level of ozone producing potential will differ from EPA's estimates depending on the specific conditions of any particular ozone episode. The rank order (in terms of ozone potential) of particular emission scenarios should not generally be affected as a function of varying modeling conditions; however, there may be exceptions to this statement.

emissions is 1.24 g/mile, but according to the above equation for exhaust emissions, the hydrocarbon equivalent mass is 0.37 g/mile, and the vehicle is in compliance with the exhaust emission standard. On the other hand, if a vehicle emits a 0.85 g/mile methanol, 0.30 g/mile HC, and 0.09 g/mi formaldehyde, the total mass is still 1.24 g/mi, but the hydrocarbon equivalent mass is 0.43 g/mi, and the vehicle does not comply with the exhaust emission standard.

The third alternative falls between alternatives one and two in terms of stringency and resultant ozone potential. It involves limiting the amount of organic carbon emitted from methanol-fueled vehicles to the amount that is emitted from current vehicles complying with the applicable HC standards. Since this approach follows directly from current HC standards, it is the most similar in concept of the alternatives considered here to the present regulatory scheme. Since photochemical processes are carbon-dependent, this approach can also be viewed as a simplified version of alternative two: equal consideration is given to the carbon emitted from current and methanol vehicles in establishing a photochemical equivalence. This type of standard can be implemented by converting the measured amounts of methanol and formaldehyde into equivalent amounts of non-oxygenated HC. For example, the specific form of the LDV standards can be expressed as follows:

$$0.41 \text{ g/mi exhaust} = \text{g/mi non-oxygenated HC} + .02\left(\frac{13.876}{32.042}\right)(\text{g/mi methanol}) + 2.95\left(\frac{13.876}{30.026}\right)(\text{g/mi formaldehyde})$$

$$2.0 \text{ g/test Evap.} = \text{g/test non-oxy. HC} + .02\left(\frac{14.359}{32.042}\right)(\text{g/test diurnal methanol}) + .02\left(\frac{14.228}{32.042}\right)(\text{g/test hot soak methanol})$$

These equations are identical to those developed under the empirical photochemistry option except that the carbon atoms in each emitted compound are accorded identical weight in terms of their ozone-producing potential. For evaporative emissions the current standards do not precisely control carbon since the diurnal and hot soak components of the test have slightly different molecular weights and the breakdown of diurnal and hot soak emissions is variable. The difference between the molecular weights of diurnal and hot soak hydrocarbons is small, however, and the current standards can therefore be said to closely approximate carbon standards. Thus, under this alternative, the total mass of carbon allowed from methanol vehicles is equivalent to that allowed from current vehicles. Organic carbon emissions from methanol vehicles are expressed in current vehicle hydrocarbon equivalents to provide a common basis for examining compliance across all vehicle types. The carbon-based equations would be utilized in the same manner as was demonstrated in the example given for the photochemistry-based standards.

The carbon-based standards have the potential to limit the ozone production of methanol-fueled vehicles to an average of about 50 percent that of gasoline-fueled vehicles on a per vehicle basis using the SAI study based on Los Angeles air chemistry. The worst-case methanol-fueled vehicle (with the highest fraction of formaldehyde in its exhaust) from the data base would have about 70 percent of the ozone-producing potential of gasoline-fueled vehicles using this same SAI study. Of course the absolute magnitude of these estimates will vary depending on the city modeled, but the Agency believes that the ozone potential of methanol vehicles produced under carbon-based standards is still likely to be somewhat less than that of current vehicles.

3. Evaluation of Alternatives

Having presented the three alternative approaches to organic emission standard setting, the discussion can now compare their relative strengths and weaknesses. The first alternative, applying current hydrocarbon standards to methanol vehicles on a total mass basis, is the most stringent approach. As noted previously, this stringency results from inclusion of the mass of oxygen present in methanol and formaldehyde in the reported emission value. It is, however, difficult to justify specifically including oxygen in the control program for methanol vehicles. Non-oxygenated hydrocarbon emissions from current vehicles tend to react with oxygen in the atmosphere, yet the mass of oxygen in these reacted compounds is not accounted for by the current emission regulations. Inclusion of oxygen emitted directly from methanol vehicles may therefore represent inequitable regulatory treatment of methanol vehicles relative to current vehicles. The inclusion of oxygen in this manner may also be at odds with the basic philosophy embodied in the Clean Air Act with regard to focusing control primarily on ozone precursors. Therefore, this alternative was rejected.

The second approach, which attempts to establish a photochemical equivalence between methanol and current vehicles based on computer simulations, is a desirable alternative because it follows directly from the stated goal of this rulemaking: providing a "level regulatory playing field" for methanol vehicles relative to current vehicles. It also appears, based on the modeling performed for Los Angeles, to be the least stringent approach considered here. There are, however, several problems associated with this approach. First, detailed simulation of methanol vehicle scenarios has been completed only for one city under specific conditions. Further modeling would be necessary to derive an average equivalence which would apply more generally to the nation's urban areas as a whole, and which would include appropriate consideration of methanol's reactivity during multiple-day ozone episodes. Given the complexity of photochemistry and its simulation, EPA is somewhat uncertain how best to establish such a national average. Second, other assumptions which are used in this type of modeling, such as the relative ratios of the various organics found in methanol vehicle emissions, and the in-use adjustment factors applied to certification level emissions from methanol vehicles, could prove to be wrong. This could result in methanol vehicles having more (or less) reactivity than the standards are designed to allow. Such assumptive errors would only be discovered after significant numbers of methanol vehicles are produced and tested. Third, were such an average established, and methanol vehicles introduced under this type of standard, some cities would experience significant ozone increases and some would experience decreases as a result. Finally, urban airshed chemistry does change with time and modeling techniques are themselves subject to evolution. The basis for standards developed under this

approach would therefore also be subject to change.

The final approach considered, a carbon-based equivalence on photochemical reactivity, also has its strengths and weaknesses. These standards account for the photochemical reactivity of the exhaust constituents as a result of the general relationship between the mass of carbon emissions and ozone formation; thus they do not rely on photochemical models which are subject to modification. Since the ratio of HC mass to carbon mass is relatively constant in the emissions from gasoline- and diesel-fueled vehicles, the net effect of the current standards is to limit carbon as well as HC. The carbon-based approach for methanol-fueled vehicles is thus consistent with the emission control results achieved represented by the present standards. These standards can be promulgated without further delay because no additional development of the standard-setting methodology is required. Like the empirical photochemistry option, these standards would still result in varying ozone impacts in different cities relative to the local impact of gasoline vehicles, but it is believed that the level of that impact would generally be less than that of current vehicles.

Based on the modeling performed thus far, carbon-based standards are more stringent than would be standards based on the available photochemical modeling. While further modeling may reduce the difference in relative stringency of these approaches, the possibility exists that carbon-based standards may not be as cost effective as empirical photochemistry-based standards in controlling ozone levels. Currently available data do suggest that compliance with the carbon-based standards should be easily achieved given the need for use of a catalytic converter to control CO emissions. (See the section labeled Technical Feasibility.) However, there were a few vehicles that achieved the photochemistry-based standards and not the carbon-based standards.

EPA seeks comment on several areas pertinent to the relative desirability of empirical photochemistry-based standards and their carbon-based counterparts. First, EPA requests comments on whether a significant cost savings could be realized by manufacturers of methanol vehicles should the empirical photochemistry-based standards be adopted instead of the carbon-based standards. Commenters are asked to consider the experimental nature of the methanol vehicles tested to date and the lack of emissions development work in evaluating the relative costs of requiring production vehicles to meet carbon-based and photochemistry-based standards.

Second, the Agency seeks comment on the relative environmental impacts that can be anticipated as a result of promulgating either of these two approaches. Specifically, comment is requested on the accuracy of available modeling techniques on which photochemistry-based standards would be founded and carbon-based standards judged. Comments are also requested on the number of cities which should be modeled in order to promulgate empirical photochemistry standards. Further, under what meteorological conditions should modeling be performed in order to minimize environmental risk under this type of standard? Finally, comment is requested on the likelihood that this type of standard will require future modification due to changes in airshed chemistry or evolution of modeling techniques.

Given the currently projected beneficial environmental impact of the carbon-based standards, and given the Agency's belief that the photochemistry-based standards would not be significantly less expensive to implement, EPA feels it prudent to propose carbon-based standards with this notice. The Agency does, however, intend to continue its consideration of the photochemistry-based option. Should public comment on this notice or further scientific inquiry establish a much superior cost effectiveness and demonstrate an acceptable environmental risk, EPA would consider performing further photochemical modeling in order to promulgate such standards in the Final Rule.

4. Consideration of Formaldehyde

An issue related to any combined HC exhaust standard is the appropriate treatment of formaldehyde emissions from methanol-fueled vehicles with respect to those from gasoline- and diesel-fueled vehicles. The current test procedure for the latter vehicle types does not measure formaldehyde. This has not been deemed a problem in the past since gasoline- and diesel-fueled vehicles emit formaldehyde at low levels compared to HC emission levels. However, since EPA is proposing to include formaldehyde in the carbon-based methanol-fueled vehicle standards, it may be reasonable to provide an allowance for methanol-fueled vehicles that is equivalent to the emissions of formaldehyde from existing engines. Unfortunately, the data on formaldehyde emissions from recent model year vehicles are very limited. The Agency's current best estimate (as discussed in the Regulatory Support Document), is that the offset for formaldehyde would be very small, perhaps about 0.01 g/mi. Given the doubtful value of such a small adjustment and the uncertainty surrounding its derivation, EPA finds it is more reasonable to exclude any adjustment at this time. Comments are requested on the appropriateness of including a formaldehyde allowance in the carbon-based exhaust standards for methanol-fueled vehicles and, if judged appropriate, the level of the adjustment.

5. Combined Exhaust and Evaporative Emissions Standards

Finally, as part of its overall effort to ease the introduction of methanol vehicles, EPA is examining the concept of creating an optional combined exhaust and evaporative emission standard for methanol-fueled vehicles. Under such an approach, manufacturers would be able to combine engine configurations and evaporative emission codes into unique vehicle groupings. Exhaust and evaporative emission levels, determined by the manufacturer for each grouping such that their weighted sum (as discussed below) does not exceed the combined emission standard, would then serve as effective emission limits for purposes of certification and recall. (It should be noted that this alternative is fundamentally different from existing particulate and NO_x averaging programs. EPA is not proposing to allow organic emissions averaging across engine family lines.) This alternative would enable manufacturers to decide the most cost-effective approach to controlling a vehicle's total organic emissions. The regulations for such an approach would necessarily weight the different exhaust and evaporative emission components appropriately—i.e., on a gram-per-mile basis—to avoid inequitable environmental impact. The present analysis, which is qualitative in nature, touches on the following areas. First, a specific limitation which EPA feels would need to accompany such a program is presented. Next, the potential benefits of this type of "bubble" concept are discussed. Finally, an issue related to the procedure that would be used to weight the exhaust and evaporative emissions is examined.

In developing an organic emissions "bubble" program the Agency must be careful to avoid negative or inequitable (with respect to current control programs) impacts on the environment. In this regard, EPA believes that it

would be inappropriate to allow manufacturers to increase exhaust emissions by lowering their evaporative emissions. The current evaporative emission standards presume essentially no fuel-related evaporative emissions from new cars. Emissions that are measured during the evaporative emission test procedure are largely background organics and vehicle material emissions (e.g., due to synthetic upholstery, undercoating, construction materials, etc.) which generally decrease as the vehicle ages. These background emissions could be reduced in certification testing by altering or removing emitting materials currently used in vehicle construction, or by carefully cleaning the vehicle to remove sources of HC emissions. However, no changes in actual in-use fuel emissions would be expected to result. The 2.0 gram standard was chosen to account for these background emissions, to accommodate some degree of test-to-test and vehicle-to-vehicle variability, and to provide some compliance cushion. This approach was intended to encourage manufacturers to focus their efforts on eliminating fuel emissions. Thus, allowing manufacturers to "borrow" emission credits from the evaporative test portion and apply them to the exhaust portion would likely result in "gaming" of the certification procedure as manufacturers attempted to reduce vehicle background emissions artificially. The end result would be an increase in in-use exhaust emissions without an accompanying decrease in in-use evaporative emissions. This type of program would not be acceptable to EPA.

To the extent that manufacturers could benefit from EPA's allowing them to reduce exhaust emissions while increasing the effective evaporative emission standard, the "bubble" concept is worth exploring further. A very rough estimate of the potential impact of this type of program is provided here. This calculation assumes, based on MOBILE3 estimates, that the average LDGV makes 3.05 trips per day and travels 31.1 miles over this period. Evaporative emissions on a g/mi exhaust equivalent basis are then

$$g/mi = \frac{(3.05)(g\ HS) + (g\ DI)}{31.1\ mi}$$

Where
g HS = Grams per Hot soak
g DI = Grams per Diurnal

Using this equation, a reduction in exhaust emissions can be converted to an equivalent amount of evaporative emissions. In this example, if hot soak and diurnal emissions are equal, a .10 g/mi exhaust HC reduction would increase allowable evaporative emissions by 1.54 grams. If hot soak emissions are zero, then the allowable diurnal emissions would increase by 3.11 grams. (As will be discussed below, the above equation does not account for several factors which any equivalence used for regulatory purposes would need to consider. The equation is provided for illustrative purposes only.)

It is not clear to EPA how much benefit manufacturers would receive from adjustments of this magnitude to the evaporative standard. The evaporative emissions data for methanol vehicles are limited and it is not possible to determine whether or not emission characteristics are similar to those of gasoline vehicles. As discussed in the section titled "Technical Feasibility," it does appear that while methanol vehicles have the potential for low exhaust emissions using existing control technologies, the evaporative emission control system may need to be enhanced to some degree. The bubble concept could potentially enable the use of existing control systems for both the exhaust and evaporative systems.

Manufacturers are requested to comment on the expected size and associated value of the increases in evaporative emissions (accompanied by decrements in exhaust emissions) that this alternative would permit. Comments are also requested on the nature and extent of any environmental risk that use of such an alternative might represent.

In order to properly combine the exhaust and evaporative emission standards, it is necessary that they be compared on the same basis. Since total evaporative emissions are a function of driving patterns—hot soaks result from engine shutdown—driving patterns must be carefully accounted for in establishing such an equivalence. The current MOBILE3 estimates were used above to derive a very rough estimate of the potential effect of a reduction in exhaust emissions on allowable evaporative emissions under a bubble program; however, this type of methodology may be too simplistic for adoption as the basis of emission control regulations because actual driving patterns and associated evaporative emissions vary considerably, whereas exhaust emissions vary less with changes in driving patterns. For example, while some vehicles are not operated on a daily basis and therefore undergo several diurnal cycles between hot soaks, others are operated continually throughout the diurnal period. These issues are of concern to EPA and are being addressed, insofar as possible, in EPA's consideration of evaporative emissions (see "Gasoline Volatility and Hydrocarbon Emissions From Motor Vehicles; Availability of a Regulatory Strategies Analysis," 50 FR 48100, November 21, 1985). The approach EPA would use to account for uncertainties in the data would need to be on the conservative side in order to avoid undue environmental impacts.

Finally, it is necessary that the method by which evaporative emissions are converted to a g/mi basis be consistent with assumptions underlying the existing exhaust standards. The exhaust standards assume that 4.7 trips are made per day (2 cold start trips versus 2.7 hot start trips). This ratio determines the weighting of hot and cold start emission data for the purpose of compliance determination. It is conceivable that this weighting procedure would need to be changed to a basis consistent with any findings related to evaporative emissions. If the MOBILE3 data, which assumes 3.05 trips per day is at least directionally correct, this could result in greater emphasis being placed on cold start exhaust emissions than is presently done.

In summary, the concept of an organic emissions bubble is appealing in theory, but the issues underlying any practical application of it are complex and deserving of very careful consideration. EPA urges commenters to consider these issues in their responses to this notice.

Specifically, comments are requested on the methods that should be used in establishing a basis for comparing exhaust and evaporative emissions. Is the existing MOBILE3 data sufficient to convert evaporative emissions to a g/mi basis? How should the assumptions underlying the exhaust emission test procedure (i.e., hot and cold start weighting) be reconciled with current understanding of driving habits? Comments are also requested on any other issue relating to the bubble concept or to the functional characteristics of a bubble program.

IV. Direct Health Effects of Methanol and Formaldehyde

In addition to the ozone-producing aspect of methanol-fueled vehicle organic emissions, there are other concerns centered on the direct risks to public health from exposure to methanol and formaldehyde. The following discussions relate to (1) the potential acute effects of mobile source-related exposure to methanol and formaldehyde and (2) the potential cancer effects of

mobile source-related exposure to formaldehyde.

A. Acute Health Effects

The available data suggest that the vehicle-related exposure scenarios with the greatest potential for causing significant acute health effects are relatively short (several minutes to perhaps half an hour), intense exposures which may be experienced in certain restricted or enclosed areas. Since overall ambient concentrations of these pollutants should be low (given the effects of continual atmospheric dispersion and photochemical decomposition), they are not now expected to result in adverse acute health effects. EPA is somewhat concerned about the possibility of adverse health effects which might result from repeated exposures to formaldehyde at or below the threshold for single dose-related acute effects. A brief discussion of this topic is provided.

In the ANPRM, the Agency requested comments on two preliminary EPA reports that attempted to identify a range of ambient concentrations for each pollutant that might be expected to cause acute health effects. Many commenters were highly critical of the lower values in the ranges EPA identified. They stated that there is not enough scientific evidence to justify the use of these values in regulatory decision-making at this time. For this proposal, EPA evaluated the available health effects data in an effort to identify specific levels of concern within the ranges for standard-setting purposes. The duration and frequency of expected mobile source related exposures were specifically accounted for in this analysis, which is presented in the Regulatory Support Document. Readers are referred to that document for greater detail on all of the discussions that follow here.

1. Methanol

In identifying the minimum level of methanol likely to cause health problems, the Agency initially considered choosing an ambient concentration of 50 mg/m^3 based on a long-term exposure study using rats. At this concentration, tracheitis, bronchitis, and other more subtle health effects were noted. This concentration was rejected, however, because public exposures to significant levels of methanol from methanol-fueled vehicles are expected to be relatively brief and periodic, rather than long term. Also, extrapolating the results of animal studies to human beings is difficult. Such extrapolations are routine in assessing carcinogenic risk, because of the problems associated with gathering cancer data in clinical human studies. However, human data are considered more relevant than animal data, and with regard to methanol toxicity analysis, ample human data on short-term exposure effects are readily available.

The available human data showed that the Threshold Limit Value (TLV) for methanol of 260 mg/m^3, which is set by the American Conference of Governmental Industrial Hygienists, is probably an appropriate level of concern for mobile source-related exposures. The TLV incorporates a fairly large margin of safety against serious toxic effects. At this level, no accumulation of methanol in the body is expected to occur, especially as a result of short-term exposures such as those likely in the case of methanol-fueled vehicle exhaust or evaporative emissions. Some temporary effects, such as an altered pattern of dark adaptation and changes in cerebral cortex reflex activity, may occur below this level. The significance of these effects is unclear, as it is not known whether these are adverse physiological effects or simply altered physiological parameters. They are not, however, anticipated to be effects of concern since they were not cited in the TLV documentation. Therefore, an ambient concentration of 260 mg/m^3 methanol is used in the Agency's standard-setting analysis as a reasonable level of concern for *short-term* exposures to mobile source-related methanol.

2. Formaldehyde

Initially, the Agency considered choosing a 0.15 mg/m^3 ambient concentration of formaldehyde as a basis for regulatory action. This level was based on a lack of effects noted at 0.08 to 0.13 mg/m^3 in two occupational and residential studies and definite irritant effects noted in two other residential studies at 0.36 to 0.46 mg/m^3 and 0.25 to 0.75 mg/m^3. However, it became apparent that identifying a specific level of concern for formaldehyde is particularly difficult because human exposure studies suggest there may not be a clear threshold below which no irritant effects would be experienced by especially sensitive individuals.

In the case of short-term exposures, various studies report only slight eye, nose, or throat irritation or discomfort in human test subjects who were exposed to formaldehyde concentrations of from 0.50 mg/m^3 to 3.75 mg/m^3. The studies indicate that at 0.50 mg/m^3 the odor of formaldehyde should be noticeable by most people, and any health effects experienced (i.e., eye, nose, or throat irritation or discomfort) should be minor and reversible for the vast majority of the populace. The duration of the studied exposures ranged from several minutes to several hours, whereas exposure to mobile source-related formaldehyde at elevated levels is expected to typically last for only a few minutes with occasional episodes lasting up to half an hour. It would appear, therefore, that findings based on the available studies may be conservative. An ambient concentration of 0.50 mg/m^3 formaldehyde is used in the following analysis as a reasonable level of concern for short-term exposures to mobile source-related formaldehyde.

It is noted that, given the differing levels of response to a given level of exposure reported from study to study, a case could be made for selecting 0.25 mg/m^3 as a level of concern. In one study, the physiological responses of subjects to exposure at this level differed markedly from controls (this did not occur at the next lower testing level, 0.125 mg/m^3). In another study, respondents characterized the effect of formaldehyde at 0.25 mg/m^3 as barely noticeable, similar to a light windy touch or dry feeling which elicited conscious blinking. It is not clear that these responses justify the choice of a level of concern at 0.25 mg/m^3. The severity of the responses reported at 0.25 mg/m^3 in any clinical study was clearly low. Furthermore, as the variability in the clinical data suggest, humans have different thresholds to the effects of formaldehyde exposure. In fact, the National Academy of Science has estimated that as much as 10–12 percent of the population may have no threshold at all. While it is not clear that any level of concern would be adequate to protect the hypersensitive portion of the population, the subsequent analysis does include a discussion of the regulatory consequences of choosing 0.25 mg/m^3 as a reasonable level of concern when considering mobile sources-related exposures to formaldehyde.

The foregoing analysis was concerned with the effects of acute exposures to formaldehyde. A series of acute exposures which of themselves may or may not result in adverse health effects may constitute a chronic exposure with the potential to cause toxicological harm. However, there is at present a lack of health data to substantiate any firm conclusion with regard to the effects of these types of exposures. EPA requests comments on the likely effects of repeated exposures to formaldehyde

at or below levels which cause irritant effects. EPA also requests comments on the potential for generally elevated average ambient levels of formaldehyde to cause significant non-cancer effects.

3. Personal Exposure Scenarios

Using the above levels of concern, the Agency evaluated a variety of "public" and "private" exposure scenarios to assess the potential public health risks associated with direct exposure to methanol and formaldehyde emissions. The public exposure scenarios included street canyons, tunnels, expressways, and public parking garages. Each scenario was analyzed using traffic densities and ventilation rates that would result in worst-case ambient concentrations. The scenarios also incorporated a worst-case assumption that methanol-fueled vehicles composed 100 percent of the motor vehicle fleet, as well as a more realistic projection that these vehicles were 30 percent of the total. The private exposure scenarios evaluated a methanol-fueled vehicle in a personal garage under typical and worst-case ventilation conditions for periods of hot soak following a trip and periods of engine idle (warm-up) operation. The resulting ambient pollutant concentrations for all scenarios were modeled using likely emission rates from vehicles certified to the proposed carbon-based standards, adjusted upward to reflect the adverse effects on in-use emission levels of factors such as poor maintenance and tampering. While the present need for standards was evaluated on the basis of this analysis, it is noted that uncertainties regarding likely emission factors are present. This issue will continue to be investigated as more information becomes available.

The Agency's analysis indicates that the projected ambient concentrations of methanol and formaldehyde for three of the public exposure scenarios, street canyons, tunnels, and expressways, should not be significant enough to pose a public health risk.

In the final public exposure scenario, the parking garage, levels of formaldehyde and, to a lesser extent, methanol, could approach the levels of concern when several worst-case conditions occur simultaneously. First, all the vehicles in the garage would be methanol-fueled. Additionally, the garage would have a capacity of 1500 or more cars, be mechanically ventilated with a ventilation rate of under 300 cubic feet per minute per parking space (or four air changes per hour), have a parking space-to-outward bound lane ratio of greater than 250 spaces per lane, and exit onto a crowded street. Furthermore, the garage would be used for special events so that all vehicles may start and idle within a short period of time. These conditions are all fairly severe and their simultaneous occurrence is very unlikely; thus EPA does not anticipate a need for a standard to protect the public from such exposures. The Agency will, however, continue to assess this conclusion as more information becomes available. Comments on the need for standards to protect the public health in this scenario are requested.

For the private exposure scenario, the personal garage, the analysis indicates that the ambient levels of formaldehyde may potentially reach twice the level of concern, and that levels of methanol may exceed the level of concern, but only in the most extreme situations evaluated. Specifically, methanol emissions from a hot vehicle in a closed personal garage may be of concern if the evaporative emissions canister is disconnected. Methanol and/or formaldehyde emissions from an idling vehicle in an open garage may be of concern if the catalyst is removed or malfunctioning severely.

Given the above results, the Agency must decide whether the potential adverse health effects caused by the emissions from a malfunctioning vehicle in a personal garage warrant national emission standards. This decision must take into account several important considerations. First, even in these extreme and limited scenarios, the expected concentrations of the two pollutants would apparently result in only minor and reversible health effects (such as a temporary increase in the methanol content of urine or eye irritation due to formaldehyde) given the short exposure times involved. Second, EPA expects the owners to properly maintain their vehicles, thus minimizing these troublesome situations. Third, even a careless or inexperienced owner will likely be alerted to formaldehyde concentrations of potential concern by smell and slight eye irritation. Methanol concentrations of potential concern also may be evidenced by smell, although odor thresholds have been reported at levels above the suggested level of concern. The owner would then face a choice of either fixing the malfunction or avoiding the exposure situation.

At issue is a fundamental question regarding an individual's responsibility for his or her own personal safety. The public has successfully dealt with potentially toxic CO concentrations in personal garages by opening the garage door before idling. The Agency believes it would not be unreasonable to expect car owners with removed or malfunctioning catalysts to avoid idling in personal garages altogether if potentially irritating formaldehyde concentrations might result, at least until they repair or replace their catalysts. Similarly, with regard to methanol exposure, it would not be unreasonable to expect a vehicle owner with a disconnected evaporative control system to avoid remaining in a closed garage in which his or her vehicle is cooling off after a trip, at least until the control system is repaired. Finally, it is not at all clear that a more stringent standard would result in safe emission levels from vehicles with malfunctioning emission control systems. It may not, therefore, even be possible to protect the public against severe malfunction-related exposures, except by prohibiting use of either methanol-fueled vehicles or personal garages. Such drastic action is clearly not warranted. For these reasons, the Agency finds no significant public health basis for specifically controlling emissions based on the personal garage exposure scenario. Consequently, EPA is proposing no emission standards based solely on the toxicological properties of methanol and formaldehyde at this time. The carbon-based, total organics standards are expected to provide adequate protection on their own.

In the case of formaldehyde, it is noted that there may be health effects evidence to support choosing .25 mg/m^3 as a level of concern. The quantitative analysis in the Regulatory Support Document shows that this level is likely to be approached or exceeded only in the tunnel and parking garage scenarios at 100 percent methanol vehicle market penetration, and in the severe personal garage vehicle warm-up scenario.

There are only a few tunnels and garages with the severe ventilation characteristics of EPA's modeled scenarios. Furthermore, 100 percent market penetration by methanol vehicles is at best a remote possibility in the near to mid term. The optimal approach to this potential problem, therefore, should very high methanol penetration be anticipated, would be to study the cost feasibility of altering the relevant tunnels' and garages' ventilation systems and to verify the accuracy of EPA's modeling before imposing costly emissions standards.

The arguments used against setting a standard for idle emissions to protect against exposures in personal garages, given a .50 mg/m^3 level of concern, are also applicable when considering .25 mg/m^3 as the level of concern. It is primarily the individual's responsibility

to keep his vehicle well tuned. High emissions of formaldehyde will be evident by their unpleasant odor or irritant effects, and will provide a cue to the vehicle owner to either repair his or her vehicle or avoid idling inside the garage.

In summary, even if .25 mg/m³ were chosen as a level of concern for formaldehyde, the conclusions of the analysis would not be different from those reached given a .50 mg/m³ level of concern. Specifically, no additional standards for formaldehyde above and beyond the carbon-based total organics (ozone-related) standards appear to be necessary to protect the public health.

The Agency must caution, however, that the finding that separate, direct health effects-based standards for methanol and formaldehyde are not necessary is partly based on data from limited prototype vehicle testing. While EPA believes these data are adequate to characterize relative methanol, HC, and formaldehyde emissions at this time, improvements in the data base are still desirable. The greatest uncertainty involves the emissions from cold (i.e., not warmed up) engines operating in cold ambient temperatures. The idle emission rates used in the garage scenarios described above were derived from warmed-up engines operating at "room" temperature. Although the data were corrected to reflect emissions from a cold engine, cold ambient temperatures are expected to result in somewhat higher emissions. The Agency's analysis shows that cold ambient temperatures could have their most significant effect on formaldehyde emissions in the personal garage scenario. EPA is now conducting tests of a methanol-fueled vehicle operating at colder ambient temperatures and will include its findings in the public docket as soon as they are available. Should the testing indicate that concentrations of methanol or formaldehyde in a personal garage are likely to be significantly higher than is currently projected when reasonable safety precautions are taken, additional standards may be needed.

Comments are requested on the appropriateness of the ambient concentrations EPA has identified as providing adequate public health protection from the toxic effects of methanol and formaldehyde, given the types of exposures that are expected to occur in conjunction with methanol-fueled vehicles. More specifically, EPA wishes to know whether evidence exists to suggest that short exposures to methanol at the level of concern are likely to result in unsafe blood levels of metabolites such as formic acid or formate, or cause any other toxic effects not currently noted in the literature. EPA also wishes to entertain comments on the relative weight of evidence for selecting .50 mg/m³ as the level of concern for formaldehyde as compared to .25 mg/m³ (or any other reasonable level). Comments are also requested on the adequacy of the exposure scenarios EPA has used to evaluate the potential public health risk associated with these emissions. Specific attention to the need for standards in the exposure scenarios evaluated in the Regulatory Support Document (or in any other scenarios) is requested. Finally, commenters are asked to address EPA's responsibility to set standards to protect against reversible and slight irritant effects and the individual's responsibility to protect himself or herself against potentially toxic exposures in the personal garage setting.

B. Formaldehyde's Carcinogenic Effects

As noted in the ANPRM, formaldehyde has been found to cause cancer in animals. Numerous studies have been and continue to be conducted in an effort to establish formaldehyde's carcinogenic potential in humans; however, the issue remains complex and unresolved. Recent activity by OSHA, the Consumer Product Safety Commission, and EPA's Office of Toxic Substances has focused attention on this issue. An increase in mobile source emissions of formaldehyde would tend to increase average ambient formaldehyde levels as well as any attendant cancer risk. However, much ambient formaldehyde is formed through the photochemical reaction of other organic pollutants. Since the reactivity of current vehicle emissions has been found to generally exceed that of methanol vehicle emissions, it is possible that current vehicles may result in more secondary ambient formaldehyde than methanol vehicles. It is not presently clear how much formaldehyde control for methanol vehicles would be necessary to maintain the ambient formaldehyde levels associated with current vehicles. Furthermore, it has not been clearly established whether the levels of formaldehyde due to the existing motor vehicle fleet are acceptable.

Due to the uncertainties associated with the available formaldehyde potency and exposure estimates, EPA intends to continue to investigate the following issues. One, what levels of ambient formaldehyde currently exist due to mobile sources? Two, what levels would likely result from methanol use? Three, what cancer risks, if any, are associated with these levels? And four, what would be the most appropriate approach to managing these risks?

While EPA is concerned with the potential carcinogenic effects of formaldehyde, it will clearly be quite some time before methanol vehicles enter the fleet in numbers significant enough to substantially affect ambient formaldehyde levels. Adequate time to complete the analysis outlined above and take any necessary regulatory action exists. Therefore, no additional standards are being proposed to control formaldehyde emissions from methanol vehicles based on carcinogenicity at this time.

Comments on this suggested approach to dealing with formaldehyde cancer risk and on the need for regulation based on this risk in the future are requested.

V. Emissions Averaging Programs

In the ANPRM, the Agency stated it would consider allowing manufacturers to include methanol-fueled vehicles in their determination of compliance with the diesel particulate averaging standards. EPA pointed out that the high efficiencies of methanol-fueled engines could result in their being in direct competition with diesel engines (i.e., methanol-fueled vehicles would essentially displace diesel vehicles from the market on a one-to-one basis). If this occurred and manufacturers were allowed to count methanol-fueled vehicles toward compliance with the particulate standards, the inherently low particulate emissions from methanol-fueled vehicles would allow a diesel manufacturer to avoid the use of costly particulate trap technology on some of its diesel vehicles. The result would be an incentive to develop methanol-fueled vehicles and no increase in emissions of particulate matter.

All but one of the comments received on this subject disapproved of including methanol in the averaging standards due to concerns that methanol- and diesel-fueled vehicles may not actually be direct competitors. The commenters correctly recognized that without such competition, diesel particulate emissions might actually increase under the averaging scheme. One commenter, the California Air Resources Board (CARB), appeared to support the averaging scheme with the caveat that methanol/diesel averaging should be allowed only in conjunction with the promulgation of more stringent diesel particulate standards. CARB recognized the possibility that direct methanol/diesel competition would not occur and that an

averaging program could adversely affect the environment.

Further analysis by EPA shows that it is indeed impossible to predict with any certainty the degree to which the two vehicle types will be competitors. This uncertainty is due to the unknowns currently associated with the relative economics of methanol-, gasoline- and diesel-fueled vehicles. The analysis also shows that diesel particulate levels could increase substantially if direct competition did not exist. For these reasons, the Agency does not know how to derive an averaging program that would provide an incentive for the production of methanol vehicles without resulting in a negative environmental impact. Therefore, EPA is not proposing to include methanol-fueled vehicles in the diesel particulate averaging program at this time.

Comments are requested on: (1) The likelihood of light- and heavy-duty methanol-fueled vehicles competing directly with diesels; and (2) the desirability of including methanol-fueled engines and vehicles with diesels in determining compliance with the corporate average diesel particulate standards.

While EPA is not proposing to include methanol vehicles in the diesel particulate averaging program, the Agency sees no reason to disallow averaging of particulate or NO_x emissions within groups of methanol vehicles. Since NO_x and particulate averaging programs have been created previously for gasoline and diesel vehicles, EPA is proposing identically structured programs for methanol vehicles. Such programs would result in a similar measure of flexibility for manufacturers of each vehicle type during the certification process. It is noted that averaging between throttled and non-throttled methanol vehicles is prohibited under the proposed regulations, given the differing emission characteristics anticipated with each type of engine (i.e., analogous to today's gasoline and diesel engines). Comments on the above approach to providing averaging programs for methanol vehicles are requested.

VI. Fuel Economy Requirements

A. Corporate Average Fuel Economy and Gas Guzzler Tax

The Energy Policy and Conservation Act (EPCA) directs the Department of Transportation, under 15 U.S.C. 2001(5), to determine whether liquid or gaseous fuels other than gasoline and diesel oil should be included in the Corporate Average Fuel Economy (CAFE) and fuel economy labeling programs. Such a determination shall be based on the finding that inclusion of an alternative fuel is "consistent with the need of the Nation to conserve energy." Similarly, section 201 of the Energy Tax Act of 1978, 26 U.S.C. 4064 *et seq.*, requires the Secretary of the Treasury (after consultation with the Secretary of Transportation) to include in the Gas Guzzler Tax ". . . any product of petroleum or natural gas . . . if . . . such inclusion is consistent with the need of the nation to conserve energy." Since methanol is a liquid fuel and is currently produced mainly from natural gas, it could conceivably be included under either of these pieces of legislation.

Both of these Acts give EPA the responsibility of determining the amount of an alternative fuel which is equivalent to a gallon of gasoline so that the gasoline-equivalent fuel economy of vehicles operating on alternative fuels can be calculated. This gasoline equivalent fuel economy would be used to appropriately include methanol under CAFE and the Gas Guzzler Tax.

To date, neither DOT nor the Treasury have determined that methanol should be included under the respective programs. EPA therefore believes that determining a fuel equivalency between methanol and gasoline would be premature at present. If and when methanol were included in either program, EPA would initiate action to establish such an equivalency. The present notice therefore proposes no action in this regard.

B. Labeling

It is noted that the fuel economy labeling program is also authorized by EPCA, 15 U.S.C. 2006(a)(1). Since methanol vehicles are not specifically included in the CAFE program, EPA has no authority to require labels for them. Thus no proposals are made in this regard with the present action.

VII. Test Procedures

As already mentioned, methanol-fueled vehicles are expected to be very similar to gasoline- and diesel-fueled vehicles in most respects. Also, the proposed CO, NO_x, and particulate standards for methanol-fueled vehicles are the same as for current vehicles. This allows most of the established certification and emission test protocols of 40 CFR Parts 86 and 600 to be applied to methanol-fueled vehicles with only minor revisions. Two areas where major changes are required involve the measurement of new pollutants and certification fuel specifications. Each is discussed separately below. Another area relates to the desirability of providing for alternative vehicle preconditioning procedures and their potential effect on test results. A final area, discussed briefly, concerns the method of assuring safe (i.e., nonflammable) levels of VOCs in the SHED during methanol vehicle testing.

A. HC, Methanol, and Formaldehyde Emission Measurement

The proposed emission control requirements for non-oxygenated HC, methanol, and formaldehyde require that each of these pollutants be properly measured to ensure compliance with the applicable standards. The current HC analyzer, the flame ionization detector (FID), can be used to accurately measure either HC or methanol, but not both at the same time. It is totally unsuitable for measurement of formaldehyde. Hence, new or modified measurement techniques that properly measure all three pollutants are necessary.

In examining various techniques for measuring formaldehyde, EPA has found that only one method currently appears to be widely accepted. This technique consists of bubbling the engine exhaust sample through an impinger filled with a 2,4 dinitrophenylhydrazine (DNPH) solution. The aldehydes in the exhaust react with the DNPH to form aldehyde-2,4 dinitrophenylhydrazone compounds. These compounds are subsequently separated to recover the formaldehyde derivative using high pressure liquid chromatography (HPLC). The amount of formaldehyde is then determined by measuring the formaldehyde derivative with an ultraviolet (UV) detector. The Agency has refined this method somewhat by replacing the liquid impingers with a cartridge containing a DNPH-impregnated silica gel. This simplifies the process, reduces processing time, and allows convenient storage of the samples. Because the DNPH impinger and cartridge techniques are conceptually the same (only the physical apparatus differs) and yield equivalent results, EPA is proposing both for measuring formaldehyde from methanol-fueled vehicles in conjunction with the use of a UV detector.

There has been some question regarding the ability of typical exhaust sampling systems to collect formaldehyde emissions efficiently. EPA finds that use of a heated sampling line should provide adequate protection against entrainment of formaldehyde in the collection system; however, comments on the subject are requested.

With regard to non-oxygenated hydrocarbons and methanol, EPA is

proposing a procedure to individually measure each pollutant. The Agency's evaluation of separate measurement techniques showed only one widely accepted approach that is both accurate and relatively inexpensive. The procedure consists of two steps. First, methanol is measured by bubbling the exhaust or evaporative sample directly from the constant volume sampler (CVS) or the sealed housing for evaporative determination (SHED) through water-filled impingers to collect the alcohols. A gas chromatograph is then used to separate the methanol from the other constituents of the water/alcohol solution. The amount of methanol is then accurately measured with a FID, calibrated with methanol. Second, a single measurement of the non-oxygenated HC and methanol in the sample is made using a heated FID. For this measurement, the device would be calibrated with propane to ensure an accurate reporting of the non-oxygenated HC present. The amount of non-oxygenated HC can then be accurately determined by correcting the overall heated FID reading for methanol content. This is done by knowing the device's response to pure methanol and the concentration of methanol in the sample, as determined by the separate methanol measurement.

The Agency seeks comments on two specific issues related to the individual measurement of methanol and hydrocarbon. First, comments are requested on the need to use a heated FID, as has been proposed. Second, comments are requested on whether the proposed evaporative emissions test procedure, which calls for sampling directly from the SHED through impingers, is preferable to drawing the sample into a bag and then bubbling it through impingers. EPA is somewhat concerned that, when sampling directly, the required sampling volume and the limited time available within which sampling must be achieved may require an impinger flow rate that is too high to be practicable.

Although EPA finds the proposed measurement techniques satisfactory, it is nevertheless aware that more cost-effective procedures would be desirable and are indeed under development. Comments are requested concerning any such techniques which may be soon available. Additionally, to enhance the prospects of finding improved techniques for measuring non-oxygenated HC, methanol, and formaldehyde separately, EPA intends to allow the use of any new procedure that is demonstrated to be equivalent or superior in accuracy and reliability to the proposed procedures.

In addition to separately measuring non-oxygenated hydrocarbons and methanol, the Agency considered an alternative procedure that provides a single measurement for both pollutants by using a FID calibrated with methanol. Determination of compliance with the carbon-based standards could be based on this method since the FID measures carbon directly. However, while this approach provides a total measurement that includes an accurate determination of methanol, also included is a consistent overmeasurement of non-oxygenated hydrocarbons. Compliance under this approach would always assure compliance using separate measurement, since the measured concentration of the combined pollutants always would be greater than the actual concentration.

Measuring the pollutants together in this manner has the advantages of being simple and low in cost. Unfortunately, without knowing the relative amounts of non-oxygenated hydrocarbons and methanol, it would be difficult or impossible to evaluate the standards' effectiveness in controlling air pollution due to the significantly different photochemical reactivity of the pollutants. Also, the Agency could not use combined measurements for compliance testing because a vehicle may be found to exceed the particular standard when it actually was in compliance. The simple fact that EPA would not use this approach would likely result in manufacturers rejecting it.

Even if EPA were to use this approach, however, manufacturers might reject measuring the two pollutants in combination for other reasons. For example, the combined procedure effectively results in more stringent standards and, in turn, may result in the application of more expensive emission control technology than is actually necessary. Also, as part of their overall emission control strategy, manufacturers generally prefer to target emission levels at a predetermined point below the applicable standard to assure compliance. The method's inaccuracy would make this very difficult. These deficiencies may explain why no comments were received on this method. Due to its apparent practical limitations, EPA is not proposing the combined measurement procedure at this time.

B. Certification Fuel Specifications

The Agency's overall goal with respect to emissions and fuel economy tests is that the results be representative of what occurs in real world driving. To accomplish this goal, test fuels must closely match those which are commercially available. Given the experimental nature of current methanol-fueled vehicle development, the specific composition of commercial methanol fuel is not presently known with any certainty. It may be pure methanol, or it may contain additives (such as unleaded gasoline) to enhance combustion performance, lubricity, or safety of methanol use and handling. Consequently, if EPA were to specify a test fuel now, it would probably only have to be changed later.

The Agency also finds that the lack of a certification fuel specification at this time will not hinder the development of methanol-fueled vehicles. Indeed, as alluded to above, the composition of commercial methanol fuel will be determined in large part by the operational performance requirements of methanol-fueled engines as manufacturers continue development. Furthermore, EPA is providing guidance with regard to emission performance requirements by promulgating specific emission standards for these vehicles and engines.

For these reasons, the Agency does not intend to specify the exact composition of methanol fuel for the purposes of emissions and fuel economy testing. Instead, EPA proposes to simply specify the use of a test fuel that: (1) Is composed of 50 percent or more methanol by volume, and (2) is representative of the fuel commercially available in areas of the country with ambient conditions similar to those encountered in the test procedures. This is not unlike the approach used to determine the current specification for diesel fuel, where the specifications are quite broad (e.g., cetane may range from 42 to 50). In this case, EPA selects a certification test fuel within the broad ranges that are representative of current in-use diesel fuel.

C. Vehicle Preconditioning for Evaporative Emissions Testing

The procedures contained in 40 CFR 86.132–88 allow for alternative preconditioning procedures for vehicles which undergo evaporative emission testing. EPA is concerned that this allowance may result in greater variability in the emissions from methanol-fueled vehicles than from gasoline-fueled vehicles, because of methanol's different affinity for the charcoal used in the evaporative emissions storage canister. Comment on this issue is therefore requested before

this section is adopted for the methanol vehicle test procedures.

D. Lean Flammability Limits of Methanol/Hydrocarbon Mixtures: SHED Safety

Comments are requested on the manner in which safe (i.e., nonflammable) VOC concentrations in the SHED are to be provided for. Currently 15,000 ppm C is considered to provide a 4:1 safety margin against the lean flammability limit of gasoline vapors. EPA is concerned that when a significant fraction of the SHED's vapor space is occupied by methanol, as is possible when methanol vehicles are tested, this limit may not be appropriate. Comments submitted on this topic should account for the effect of mixtures of methanol and gasoline HC on flammability and should attempt to identify a satisfactory approach to assuring safe VOC concentrations in the SHED during testing of methanol vehicles.

VIII. Technical Feasibility

The pollutants subject to control by the proposed standards are either similar or identical to those presently regulated from current vehicles and engines. This allows the emission control technology employed by petroleum-fueled vehicles to be applied to methanol-fueled vehicles. As discussed in the Regulatory Support Document (to which the reader is referred for more detail), prototype testing of Otto-cycle, methanol-fueled LDVs equipped with current LDV emission control technology (oxidation or three-way catalysts) shows that the proposed exhaust organic, CO, and NO_x standards are achievable with these controls even before being optimized for methanol. Since the standards for LDTs and HDEs are generally less stringent than those for LDVs, and since Otto cycle technology is fairly similar regardless of vehicle class, the arguments which suggest that the methanol-fueled LDV standards are feasible apply to LDTs and HDEs as well.

Prototype testing of a Maschinenfabric Augsburg-Nurnberg (MAN) non-throttled (i.e., diesel-cycle), methanol-fueled HDE equipped with an oxidation catalyst shows the proposed organic, CO, and particulate standards to be achievable.[8] Regarding NO_x emissions from these engines, prototype testing of two Detroit Diesel Allison (DDA) engines shows emission levels for this pollutant already below the 5.0 g/BHP-hr NO_x standard for 1991 and later model year HDEs.[9,10] The MAN engine had NO_x emissions of 6.6 g/BHP-hr, which is still on the lower end of the range for current diesel engine NO_x levels. Due to the similarity in combustion characteristics of these engines, the same design modifications that will be used to bring current diesel HDE's into compliance with the 5.0 g/BHP-hr NO_x standard should also reduce NO_x emissions in the methanol-fueled version of such engines to the required level. Actually, these design modifications may even reduce NO_x emissions from methanol-fueled HDEs below this level because methanol burns cooler than diesel fuel and, consequently, produces lower amounts of this pollutant. Therefore, non-throttled, methanol-fueled vehicles should also be able to attain the proposed NO_x standards with engine modifications when needed.

Methanol fuel is expected to have markedly different evaporative characteristics than gasoline, so some development effort may be required to ensure compliance with the proposed evaporative organic emission standards. However, there should be no need to fundamentally change current control system designs, which consist of a charcoal canister for evaporative fuel storage coupled with a purge through the vehicle's engine. Thus, the proposed evaporative standards should not pose any significant technological challenges.

IX. Multi-Fuel Vehicles

Technological innovation has resulted in the development of fuel systems capable of running a vehicle on any blend of gasoline and methanol. These systems present questions relating to compliance with emission standards.

If a vehicle is designed to operate on methanol, gasoline, or any intermediate mix, it would be required to demonstrate compliance with applicable standards when tested on any of those fuels.[11] EPA considers it reasonable to subject vehicles tested on a mixed fuel containing methanol to the emission standards for methanol-fueled vehicles. In this fashion, the formaldehyde and methanol fractions of the exhaust, which can be expected to increase as a function of increasing methanol concentration in the fuel, will be accounted for appropriately.

Comments on this approach to regulating emissions from multi-fuel vehicles are requested. Comments should also address any other relevant issues associated with the testing and certification of multi-fuel vehicles. Comments are also requested on any other aspect of this rulemaking which may be affected by the sale of multi-fuel vehicles.

X. Environmental Effects

In general, the proposed standards will require that emissions from methanol-fueled vehicles be reduced from uncontrolled levels. The amount of this emission reduction cannot be specifically quantified at this time due to the problematic nature of forecasting sales of methanol-fueled vehicles, and because the actual emission levels from production methanol-fueled vehicles in the absence of the proposed standards are unknown. Nonetheless, a rough approximation of the emission reduction can be made by noting that methanol-fueled vehicles and engines will likely utilize much the same control technology as that used by their petroleum-fueled counterparts (e.g., oxidation catalysts and engine design modifications). For these latter vehicles, this technology reduces emissions by about 75 to 90 percent depending on the pollutant. The percentage reduction in emissions from uncontrolled methanol-fueled vehicles is expected to be similar or somewhat less. Additionally, while the proposed standards generally limit the pollution potential of methanol-fueled vehicles to that of their gasoline- and diesel-fueled counterparts, the cleaner combustion associated with methanol could result in reduced smoke and particulate emissions depending on the extent to which this fuel displaces the use of diesel fuel. Therefore, the standards being proposed today will have a positive environmental effect.

As more fully discussed in the health effects section of today's notice (Section IV), methanol and formaldehyde emissions from methanol-fueled vehicles are a potential concern due to their acute toxicological effects. The Agency assessed the public health risk associated with the toxicological properties of the pollutants by

[8] "Emissions from Direct-Injected Heavy-Duty Methanol-Fueled Engines (One Dual-Injection and One Spark-Ignited) and a Comparable Diesel Engine," SAE Paper No. 820966.

[9] "Conversion of a Two-Stroke Diesel Bus Engine to Methanol Fuel," SAE Paper No. 841687.

[10] "Development of Detroit Diesel Allison 6V-92TA Methanol Fueled Coach Engine," SAE Paper No. 831744.

[11] A mixed fuel is distinguished here from a blend. Various blends containing specific amounts of methanol have been approved for use in current vehicles. A vehicle owner may be able to mix a fuel in his own tank that is similar in composition to the blended fuel, but the mix is not considered equivalent to the blend.

evaluating several public and private exposure scenarios which reflected worst-case assumptions. The results of this study showed that methanol and formaldehyde emissions from properly operating vehicles, manufactured in compliance with the proposed organic emission standards, should not reach concentrations of regulatory concern even in the most extreme case evaluated (i.e., a private garage). Nonetheless, these results are not conclusive due to limitations in the methanol emissions database. The Agency is conducting additional tests to improve its database and will place its findings in the public docket as soon as they are available.

Formaldehyde is also a suspected human carcinogen. As noted in Section IV, since methanol vehicles emit more formaldehyde than current vehicles, it is possible that average ambient concentrations would increase as a function of methanol use. If so, any formaldehyde-related cancer risk may also increase. The influence of photochemical reactivity on formaldehyde levels, however, provides a confounding effect in this analysis. While no standards are proposed in this package, EPA intends to continue to study this issue, and to make any significant findings public.

Benzene and other toxic pollutants which result from incomplete combustion of current motor fuels are expected to exhibit a general decrease as a function of methanol vehicle use.

XI. Economic Effects

The Agency expects the proposed methanol standards to be attainable using emission control technology which is similar to that used by current vehicles. As a result, the cost of emission controls for methanol-fueled vehicles generally should be similar to that for the majority of current vehicles. It also appears possible that the application of present technology to methanol-fueled vehicles may be, in at least one instance, somewhat less costly. Most gasoline-fueled vehicles require an oxidation catalyst to achieve the applicable HC and CO standards. Most methanol-fueled vehicles are also expected to utilize this type of control technology, with one important difference. The unique chemical composition and the expected lower temperature of methanol-fueled vehicle exhaust may allow the use of less expensive catalytic materials to achieve the required emission reductions. If this proves to be possible, oxidation catalysts for methanol-fueled vehicles would be less costly than those for gasoline-fueled vehicles. Regarding the overall cost effectiveness of controlling emissions with oxidation catalysts, the percent reduction in carbon emissions (i.e., ozone precursors) from methanol-fueled vehicles may be somewhat less than that for gasoline-fueled vehicles, while the percent reduction in CO emissions may be about the same. Therefore, if oxidation catalysts prove to be cheaper for methanol-fueled vehicles, the cost effectiveness of reducing carbon emissions from these vehicles could be about the same as for gasoline-fueled vehicles, although the cost effectiveness of CO control could be somewhat better for methanol-fueled vehicles.

XII. Public Participation

A. Comments and the Public Docket

As in past rulemaking activities, EPA desires full public participation in arriving at final rulemaking decisions. In addition to those areas where specific comment has been requested, EPA solicits comments on all aspects of today's proposals from all interested parties. Wherever applicable, full supporting data and detailed analyses should also be submitted to allow EPA to make maximum use of the comments. Commenters are especially encouraged to provide suggestions for modification of any aspects of the proposal that they find objectionable. All comments should be directed to the Central Docket Section, Docket No. A–84–05 [see **"ADDRESSES"**].

Commenters desiring to submit proprietary information for consideration should clearly distinguish such information from other comments to the greatest possible extent and label it "Confidential Business Information." Submissions containing such proprietary information should be sent directly to the contact person listed above, and not to the public docket, to ensure that proprietary information is not inadvertently placed in the docket. Information covered by such a claim of confidentiality will be disclosed by EPA only to the extent allowed and by the procedures set forth in 40 CFR Part 2. If no claim of confidentiality accompanies the submission when it is received by EPA, it may be made available to the public without further notice to the commenter.

B. Public Hearings

Any person desiring to present testimony regarding this proposal at the public hearings (see **"DATES"**) should, if possible, notify the contact person listed above of such intent at least seven days prior to the opening day of the hearing. The contact person should also be given an estimate of the time required for the presentation of the testimony and notification of any need for audio/visual equipment. Testimony will be scheduled on a first come, first serve basis. A sign-up sheet also will be available at the registration table the morning of the hearing for scheduling testimony.

The Agency suggests that approximately 50 copies of the statement or material to be presented be brought to the hearing for distribution to the audience. In addition, EPA would find it helpful to receive an advance copy of any statement or material to be presented at the hearing at least one week before the scheduled hearing data, in order to give EPA staff adequate time to fully consider such material. Such advance copies should be submitted to the contact person listed above.

The official records of the hearings will be kept open for 30 days following the hearing to allow submission of rebuttal and supplementary testimony. All such submittals should be directed to the Central Docket Section, Docket No. A-84-05 (see **"ADDRESSES"**).

Mr. Richard D. Wilson, Director of the Office of Mobile Sources, is hereby designated Presiding Officer of the hearings. The hearings will be conducted informally, and technical rules of evidence will not apply. Written transcripts of the two hearings will be placed in the above docket for review. Anyone desiring to purchase a copy of either transcript should make individual arrangements with the court reporter recording the proceedings.

XIII. Authority

Statutory authority for the proposed emission standards is provided by sections 202(a) and 301(a) of the Clean Air Act (42 U.S.C. 7521(a) and 7601(a)). Section 202(a) of the Act provides, in part, that "(t)he Administrator shall by regulation prescribe . . . standards applicable to the emission of any pollutant from any class or classes of new motor vehicles . . . which may reasonably be anticipated to endanger public health or welfare." Section 202(a) of the Act also provides, in part, that "(a)ny regulation prescribed under paragraph (1) . . . shall take effect after such period as the Administrator finds necessary to permit the development and application of the requisite technology, giving appropriate consideration to the cost of compliance within such period." Section 301(a) provides, in part, that "(t)he Administrator is authorized to prescribe such regulations as are necessary to carry out his functions under this Act."

Administrative Designation

Under Executive Order 12291, EPA must judge whether a regulation is "major" and, therefore, subject to the requirement that a Regulatory Impact Analysis be prepared. This regulation is being developed primarily to remove any emissions- or fuel economy-related regulatory uncertainties that may act as a barrier to the introduction of methanol-fueled vehicles. It will not impose costs on methanol-fueled vehicles that are significantly different from those imposed on vehicles which are already in production, and will not adversely affect competition, productivity, investment, employment, or innovation. This regulation, therefore, is not major and does not require a Regulatory Impact Analysis.

This regulation was submitted to the Office of Management and Budget (OMB) for review as required by Executive Order 12291. Any written comments from OMB and any EPA response to those comments are in the public docket for this rulemaking.

Reporting and Record Keeping Requirements

Most of the information collection requirements contained in this proposed rule have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980, 44 U.S.C. 3501 *et seq.*, and have been assigned OMB Control Number 2060-0104. The information collection provisions relating to the measurement and reporting of methanol and formaldehyde emissions have been submitted for approval to OMB. Comments on these requirements should be submitted to the Office of Information and Regulatory Affairs of OMB marked Attention: Desk Officer for EPA. The final rulemaking package will respond to any OMB or public comments.

Impact on Small Entities

Section 605 of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, requires that the Administrator certify that these regulations would not have a significant impact on a substantial number of small entities. I certify that this regulation does not have such an effect because it primarily affects only manufacturers of motor vehicles and motor vehicle engines, a group which does not contain a substantial number of small entities.

List of Subjects in 40 CFR Part 86

Administrative practice and procedure, Air pollution control, Gasoline, Intergovernmental relations, Motor vehicles, Motor vehicle pollution, Reporting and record keeping requirements.

Dated: August 21, 1986.

Lee M. Thomas,

Administrator.

TABLE 1.—PROPOSED EMISSION STANDARDS FOR 1988 AND LATER MODEL YEAR METHANOL-FUELED VEHICLES AND ENGINES [1]

Vehicle class	Exhaust standards [2]					Evaporative organics [3] (g/test)
	Organics [3]	CO	NO_x	Particulate	Idle CO (percent conc)	
LDV [4] throttled	0.41	3.4	1.0	[5] N/A	0.50	2.0
LDV [4] non-throttled	0.41	3.4	1.0	0.20	0.50	2.0
LDT_1 [6] throttled	0.80	10	1.2	N/A	0.50	2.0
	(1.0)	(14)	(1.2)		(0.50)	(2.6)
LDT_1 [6] non-throttled	0.80	10	1.2	0.26	0.50	2.0
	(1.0)	(14)	(1.2)		(0.50)	(2.6)
LDT_2 [7] throttled	0.80	10	1.7	N/A	0.50	2.0
	(1.0)	(14)	(1.7)		(0.50)	(2.6)
LDT_2 [7] non-throttled	.80	10	1.7	0.26	0.50	2.0
	(1.0)	(14)	(1.7)		(0.50)	(2.6)
HDE [8] throttled	1.1	14.4	[10] 6.0	N/A	0.50	3.0
HDE [9] throttled	1.9	37.9	6.0	N/A	0.50	4.0
HDE [8] non-throttled	1.3	15.5	[10] 6.0	[11] 0.60	0.50	3.0
HDE [9] non-throttled	1.3	15.5	6.0	0.60	0.50	4.0
MC	5.0	12	N/A	N/A	N/A	N/A

[1] Standards in parentheses apply to vehicles sold in specified high-altitude counties. For all classes of vehicles except MC, no crankcase emissions are allowed.
[2] LDV and LDT standards are in g/mi, HDE standards are in g/BHP-hr, and MC standards are in g/km, unless otherwise noted.
[3] Organics standards are expressed in gasoline-fueled vehicle hydrocarbon equivalents, as determined on a carbon mass basis.
[4] Standards apply at all altitudes.
[5] Not applicable.
[6] LDTs up to and including 3,750 lbs loaded vehicle weight (LVW).
[7] LDTs 3,751 lbs or greater LVW.
[8] HDEs up to and including 14,000 lbs gross vehicle weight rating (GVWR).
[9] HDEs 14,001 lbs or greater GVWR.
[10] Beginning in 1991 model year, standard becomes 5.0 g/BHP-hr for all HDEs.
[11] Beginning in 1991 model year, standard becomes .25 g/BHP-hr. for all non-throttled HDEs except urban bus engines, which are subject to a 0.10 g/BHP-hr standard. In 1994, the standard becomes 0.10 g/BHP-hr for all non-throttled methanol HDEs.

[FR Doc. 86-19493 Filed 8-28-86; 8:45 am]

BILLING CODE 6560-50-M

federal register

Friday
August 29, 1986

Part IV

Department of Health and Human Services

Public Health Service

42 CFR Part 124

Medical Facility Construction and Modernization; Requirements for Provision of Services to Persons Unable to Pay; Proposed Rule

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Public Health Service

42 CFR Part 124

Medical Facility Construction and Modernization; Requirements for Provision of Services to Persons Unable To Pay

AGENCY: Public Health Service, DHHS.

ACTION: Proposed rules.

SUMMARY: This notice proposes revisions to the rules currently governing how health care facilities assisted under Titles VI and XVI of the Public Health Service Act fulfill the assurance, given in their applications for assistance, that they would provide a reasonable volume of services to persons unable to pay. Public comment on the current rules and operational experience with them has indicated the need to revise a number of the current requirements.

DATE: Written comments must be received on or before October 28, 1986.

ADDRESS: Comments must be in writing and be sent to:

Mr. Richard R. Ashbaugh, Assistant Surgeon General, Associate Director for Health Facilities, Bureau of Resources Development, 5600 Fishers Lane, Rockville, Maryland 20857, Attention: Martin J. Frankel.

Comments will be available for public inspection during normal business hours at this address.

FOR FURTHER INFORMATION CONTACT: Mr. Martin J. Frankel (301)443–5656.

SUPPLEMENTARY INFORMATION: The Secretary of Health and Human Services proposes below amendments to the rules governing what is popularly known as the Hill-Burton uncompensated services program. Health care facilities covered by the program received construction assistance under two titles of the Public Health Service Act—Title VI (the "Hill-Burton Act", 42 U.S.C. 291, *et seq.*) and Title XVI (42 U.S.C. 300q, *et seq.*). As a condition of such assistance, they assured that they would make available a reasonable volume of services to persons unable to pay therefor. The statutory and regulatory background of this assurance, now known as the "uncompensated services assurance," and the major changes to the existing rules which are proposed, are set out below.

I. Statutory and Regulatory Background

The assurance given by most of the facilities covered by the rules was the Title VI assurance. Under section 603(e) of the Act (42 U.S.C. 291c(e)), the Secretary was authorized to issue regulations requiring the following assurance:

> Such regulations may also require that before an application is recommended by a State agency to the Surgeon General for approval under this part, assurance shall be received by the State from the applicant that. . . (2) there will be available in the facility or portion thereof to be constructed or modernized a reasonable volume of services to persons unable to pay therefor, but an exception shall be made if such a requirement is not feasible from a financial viewpoint.[1]

In 1975 Congress enacted Title XVI to replace the program of assistance under Title VI, which was last funded in fiscal year 1974. Pub. L. 93–641, sec. 4. Besides requiring an uncompensated services assurance of assisted facilities (see footnote 1), Title XVI gave the Secretary new regulatory and enforcement responsibilities for both titles. Sec. 1602(6), redesignated by Pub. L. 96–79 as sec. 1620(3), 42 U.S.C. 300s(3); sec. 1612(c), redesignated as sec. 1627, 42 U.S.C. 300s–6. Finally, facilities were required periodically to report data and information about their compliance with the assurance to the Secretary, a requirement which is nonwaivable. Sec. 1602, redesignated as sec. 1620, 42 U.S.C. 300s.

Regulations requiring the assurance were issued shortly after enactment of Title VI in 1946. See 12 FR 6176 (September 16, 1947). The regulatory standard for compliance was extremely general. This changed in 1972, when the Department issued rules setting specific compliance standards. 42 CFR 53.111, 37 FR 14721 (July 22, 1972). The 1972 rules provided for a State-administered monitoring and enforcement program, with State-established eligibility criteria; a definition of "reasonable volume" as either the "open door" option (with no minimum compliance level) or the lesser of 3 percent of operating costs or 10 percent of Title VI assistance; exclusion from the facility's uncompensated services of those services for which a collection action (other than the rendition of bills) had been initiated against the patient; and exclusion of services which were or could be paid for by a third party payor. Following the decision in *Corum* v. *Beth Israel Medical Center*, 373 F. Supp. 550 (S.D.N.Y. 1974), invalidating the so-called "billing provision", the regulations were amended to require determinations prior to service except in certain circumstances. At the same time, a requirement that facilities post notice of their uncompensated services obligation was added. 40 FR 46202 (October 6, 1975).

Following extensive public comment, the Secretary in 1979 issued the current rules, which are codified at 42 CFR Part 124, Subpart F. 44 FR 29372 (May 18, 1979). The 1979 regulations establish a fixed dollar level compliance quota, which is based on the three percent of operating costs or 10 percent of Federal financial assistance level of the 1972 regulations. Facilities that do not meet their quotas are required to make up in later years the deficit in the amount of uncompensated services provided, and their 20-year period of obligation may be extended to permit such make-up. In addition, the facility must institute an affirmative action plan designed to prevent recurrence of the deficit. 42 CFR 124.504. A facility may also get credit for "excess"—that is, uncompensated services provided over and above its annual quota—and credit that excess against its quota in a future year. The 10 percent compliance level, and all deficits and excesses, are required to be adjusted by a factor that reflects inflation, the so-called "inflation factor." 42 CFR 124.503. In each case, however, the facility can only count a portion of the cost of the service provided toward the quota, the so-called "allowable credit." 42 CFR 124.502. Facilities are required to exclude third party payments from the quota, and also may not count toward the quota the differential between the amount of third party reimbursement and allowable credit where the facility has agreed or is otherwise required to accept the reimbursement as payment in full for service. In addition, services disallowed as unnecessary by a Professional Standards Review Organization (PSRO) must also be excluded. 42 CFR 124.509.

A number of changes were made by the 1979 regulations in how uncompensated services are distributed. Instead of the prior, widely varying, State eligibility criteria, there are now national eligibility criteria, based on the Poverty Income Guidelines formerly issued by the Community Services Administration. 42 CFR 124.506. The

[1] The assurance required by statute of Title XVI assisted facilities, of which there are only 38, was as follows: ". . . reasonable assurances that at all times after such application (for Title XVI assistance) is approved . . . (ii) there will be made available in the facility or portion thereof to be constructed, modernized or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determing the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint." Sec. 1621(b)(1)(K), 42 U.S.C. 300s–1(b)(1)(K), as redesignated by Pub. L. 96–79.

criteria consider only income, not resources, and a mandatory procedure for calculating income is provided. Facilities are given limited discretion to decide how to allocate their quota of uncompensated services among eligible persons. 42 CFR 124.507. Unlike the prior requirement that eligibility be determined prior to service, facilities can credit services if (but only if) they make an eligibility determination within two working days of a request. 42 CFR 124.502, 124.508.

The 1979 regulations contain extensive requirements for notice, including a requirement that written notice be given to each person seeking service in the facility. 42 CFR 124.505(d). In addition, facilities are required to publish and post notices and to provide notice to the local health systems agency (HSA) in certain circumstances. 42 CFR 124.505.

The 1979 regulations contain a number of reporting and recordkeeping requirements, implementing the 1975 Amendments. 42 CFR 124.510. In addition, primary responsibility for enforcement is given to the Secretary, who may contract out certain enforcement functions to the State Health Planning and Development Agency designated under Title XV of the Act. 42 CFR 124.511 and 124.512.

The Department recently proposed a revision of Subpart F providing a compliance alternative for certain public facilities. 50 FR 36454 (September 6, 1985). It is anticipated that any policies ultimately adopted as a result of that Notice of Proposed Rulemaking will be integrated into these proposed rules when they are adopted in final form.

II. Proposed Rules

A. Objectives and Policies of the Proposed Rules

The proposed rules retain the basic policies of the current rules, but refine some provisions in order to lessen the administrative burden of compliance for facilities, while increasing the incentive for compliance by facilities in order to protect the interests of the intended beneficiaries of the assurance. The proposed rules thus seek to establish balance among the basic principles inherent in the proper operation of an uncompensated services program: (1) The provision of a "reasonable volume" of free or below cost health services to eligible persons; (2) the provision of reasonable and equal opportunity to such persons to apply for and receive those services; and (3) the documentation by facilities that a "reasonable volume" of services and opportunity to apply have been provided. The Department proposes below changes to the current regulations which it believes are necessary to give more appropriate emphasis to each of these principles as determinants of compliance.

The existing regulations rely on strict adherence to the procedural requirements to establish whether or not each patient's uncompensated services account is creditable toward a facility's obligation. The current rules provide no basis for obtaining credit on other grounds, including a facility's substantial compliance with the three basic principles mentioned above. Consequently, facilities which generally comply with regulations and provide substantial amounts of free or below cost care to eligible individuals but fail to comply with, for example, the two-day determination requirement are in a worse position than facilities that are out of compliance with provisions of the regulations that do not affect creditability (e.g., the notice provisions). A further consequence of this approach is that the Department is forced to devote substantial enforcement resources to time-consuming account audits, thereby decreasing the number of facilities it can monitor at any given time for systemic problems of compliance.

The proposed rules address this problem by eliminating or loosening a number of the more technical requirements of the current rules. In addition, they depart from the account-based approach of the current rules as the benchmark of compliance. Instead, under the proposed rules, a facility which is in substantial compliance with the requirements necessary for the proper operation of an uncompensated services program will be given credit for its compliance. See proposed § 124.511(b)(1). A certification of substantial compliance will be based on procedures determined by the Secretary to be sufficient to establish that the facility has substantially complied with its assurance for the period covered by the certification. The Department will examine the systems that facilities have put in place to comply with the notice, recordkeeping and determination of eligibility requirements, as well as their compliance with the reporting requirements. Through this approach, for example, a facility which has a system to ensure that notice is properly provided will not be penalized if it is discovered that an individual inexplicably was not notified. Conversely, a facility which shows a pattern of substantial noncompliance with major substantive provisions of the rule is subject to receiving *no* credit for the period in which noncompliance is found. See proposed § 124.512(c). In the Department's view, these changes will encourage facilities to give proper emphasis to ensuring that individuals are provided equal opportunity to obtain uncompensated services and to maintaining appropriate documentation. Further, the proposed rules will provide a basis for timely monitoring of compliance, and permit the establishment of more comprehensive enforcement policies. The proposed rules also restructure and simplify the current regulatory language in certain respects in order to help achieve compliance by facilities through promoting a better understanding of the regulatory requirements.

Finally, the proposed rules propose a more flexible compliance standard for facilities with small ($10,000 or less) annual compliance obligations and which routinely provide free or below cost services to persons determined by the facility, based on objective criteria, to be unable to pay for them. Facilities that qualify would be eligible for certification by the Secretary, pursuant to which they would be required only to comply with the requirements of the program of discounted services upon which the certification was based, along with ancillary reporting and recordkeeping requirements, as long as the certification was in effect.

The major changes to the 1979 regulations are summarized below. Public comment on these changes, as well as suggestions for alternate policies, are solicited and welcomed. Any empirical data that can be cited in support of positions taken in the public comments would be particularly useful, as would discussions of particular problems that specific provisions of the proposed rules may raise for facilities under State or local law.

B. Major Changes Proposed

1. Compliance Level

The proposed regulations retain the current formula for determining a facility's annual compliance level, calculated as the lesser of 10 percent of the Federal assistance received, or 3 percent of operating costs (minus Medicare and Medicaid reimbursements), except that the treatment of interest subsidy amounts has been changed to eliminate an inconsistency of the present rules. Under the current § 124.503(a), interest subsidies, which are received incrementally over the life of the loan, are treated as received when the loan is made instead of when the subsidies are

actually received, unlike grants, which are treated as received when actually received. The proposed change rectifies this, and conforms the treatment of Federal assistance in the form of interest subsidies to that accorded Federal assistance in the form of grants.

Proposed § 124.503(a)(2) establishes criteria for services that qualify as uncompensated services. The addition of this provision clarifies a requirement that is implicit in the present regulations, but about which there has been some confusion. Subsection (iv) of proposed § 124.503(a)(2) merely incorporates and updates the principle embodied in the present § 124.509(c).

2. Deficits

The deficit provisions of the current regulations, including the requirement for affirmative action plans, have been retained with some modifications. The present regulations require deficits to be made up in the following fiscal year except where the facility is financially unable to do so. 42 CFR 124.503(b). The proposed rule makes explicit the approach implicit in the present rules, *i.e.*, that the timing and amount of the make-up of a deficit should depend on the cause of the deficit. See proposed § 124.503(b)(1). Under the proposed rules, deficits are explicitly divided into two categories: "justifiable deficits" and "noncompliance deficits". A justifiable deficit is one in which the facility did not meet its annual compliance level due to either financial inability (as determined in § 124.511(c)) or, although otherwise in compliance with this regulation, there was a lack of eligible applicants for uncompensated services during the fiscal year. A noncompliance deficit is one in which the facility failed to meet its annual compliance level due to noncompliance with this regulation. An example of this type of noncompliance would be if the facility did not have an uncompensated services program in place, or did not have a system for determining eligibility of applicants.

Justifiable deficits may be made up at any time during (or immediately following) the facility's period of obligation; the timing and amount of make-up in a given year is left to the facility's discretion. By contrast, deficits which are due to noncompliance must be made up on a predetermined schedule, beginning in the fiscal year following the deficit year. This is achieved by adjusting the facility's annual compliance level in subsequent years upward by the amount of the deficit, prorated over the remaining years of obligation. The amount of the deficit is calculated and adjusted in accordance with the methodology set out in the present § 124.503(d). Those provisions have simply been reorganized for clarity. See proposed § 124.503(b)(3).

The principles of the current § 124.504, relating to affirmative action plans, have been retained. However, they have been simplified and clarified. See proposed § 124.503(b)(4).

3. Excesses

Proposed § 124.503(c) continues the policies of the present rules, which permit facilities to provide excess uncompensated services (services over and above the annual compliance level) and apply the excess to reduce their obligation in future years. Amendment of the so-called "buy-out" formula is proposed in order to remove two anomalies of the present formula. First, the current § 124.503(c)(2) relies on the method which produces the lesser amount in computing a facility's annual compliance level for the purpose of determining its remaining obligation. Under the three percent method, variables are inherent, most notably the amount of reimbursement received or claimed from Medicare and Medicaid. Any unusually large amount of such reimbursement in a year would result in an abnormally small annual compliance level which, when factored into the existing formula, could produce a buy-out amount that is artificially low. Therefore, the buy-out formula has been revised to take such situations into account. It proposes that an average of the annual compliance levels for the previous three years (regardless of the method used to calculate these levels) be multipled by the number of years remaining in the obligation, less any excesses from prior years or plus any deficits from prior years.

The buy-out formula has been revised in another respect to remedy a second problem which has become evident. Recipients of loans continue to receive the benefits of interest subsidy and other payments made by the Secretary each year until their loans are repaid. The current buy-out formula fails to recognize the effect of payments that will be made after the buy-out year. Proposed § 124.503(c)(3)(ii) takes these payments into account for purposes of calculating the buy-out amount. To calculate the remaining obligation of loan recipients, facilities use the lesser of: (1) The 10% method of determining the annual compliance level, taking into account future interest subsidies to be paid over the life of the loan; or (2) the average of the last 3 years of the base compliance level, computed under the 3% method, times the number of years remaining in the life of the loan. Deficits are added and excesses subtracted, as for grant-assisted facilities. This proposed change does not affect the term of the obligation for these facilities, which lasts until the loan is repaid. See proposed § 124.501(b)(1)(ii).

Proposed § 124.503(c)(4) requires facilities to substantiate, through certified, independent audits, the creditability of excess amounts which in a given year exceed 100 percent of their annual compliance level for that year. The purpose of this requirement is to facilitate monitoring by guarding against inflated claims of excess. The audit must be sufficient for the Secretary to determine the creditability of individual accounts under proposed § 124.503. The Secretary will make guidance materials available for this purpose.

4. Exemption for Community Health Centers and Migrant Health Centers

Proposed § 124.503(d) has been added to exempt community health centers and migrant health centers from the requirements of these regulations. Thirty-seven facilities which received assistance under the Hill-Burton Act also receive assistance under either sec. 330 or 329 of the Public Health Service Act (42 U.S.C. 254c, 247d). These community health centers and migrant health centers, respectively, receive the major portion of their operating budgets from Federal financial assistance under rules that, like the uncompensated services regulations, ensure the provision of health services to individuals and families who cannot afford to pay for them. It is anomalous to require these facilities to implement separately two essentially equivalent sets of Federal regulations designed to achieve the same purpose.

The rules under which the centers operate (42 CFR Parts 51c and 56, respectively) require the provision of health services to medically underserved populations without regard to a patient's ability to pay (42 CFR 51c.303 (f), (u), and 56.303 (f), (u)). Each year, the 37 centers provide about $15 million of services at no cost to patients. These centers must utilize fee schedules which provide for the adjustment of fees based on the Department's poverty line (42 CFR 51c.303(f) and 56.303(f)), the same standard that is used to establish eligibility for uncompensated services under the Hill-Burton obligation. See 42 CFR 124.506. Detailed reports on the operation of these centers and their services are required semiannually under their regulations and contain information sufficient to ascertain compliance with those rules.

In light of these requirements and the purposes for which Federal assistance under sections 330 and 329 is provided, the Department proposes to regard each community or migrant health center that received Hill-Burton assistance as having satisfied its Hill-Burton uncompensated services obligation for each of the center's fiscal years in which it receives a community or migrant health center grant and is in substantial compliance with the conditions of that grant pertaining to discounted services. Therefore, such centers would be exempt from the requirements of 42 CFR Part 124, Subpart F, for that year. The exemption would remain in effect as long as these conditions are met. Should the center fail to meet these conditions (*e.g.*, by losing its grant support before its period of obligation specified in § 124.501(b) has expired), it would automatically become subject to the requirements of 42 CFR Part 124, Subpart F, for the remainder of that period.

5. Notices

The proposed rules continue the three requirements to post notices, provide individual notices, and publish notices of the availability of uncompensated services. The requirement for posted notice is retained in its entirety. The individual notice requirement is modified only to conform to the changes to the eligibility determination requirement, discussed below. The Department believes that these requirements are crucial to ensuring that people are provided equal opportunity to apply for uncompensated services.

In keeping with the elimination of the requirement to notify HSAs, discussed below, the published notice requirement has been modified to require the inclusion of a statement inviting interested parties to comment on the allocation plan contained in the notice. Proposed § 124.504(a) also changes the existing requirement that the notice (and, in particular, allocation plans) be published no later than 60 days before the beginning of a facility's fiscal year. Under proposed § 124.504(a), read together with proposed § 124.506, plans may be published at any time before the beginning of the fiscal year, with the previously published plans remaining in effect until the new plans are published. Plans may be revised at any time during a fiscal year by publishing them. Revised plans would take effect upon their publication, but may not be retroactive (see proposed § 124.506(b)). The Department believes that this proposed change in the published notice requirement is also consistent with the findings in the departmental study on nursing homes, described in greater detail under 8. *Determinations of Eligibility*. Accordingly, the proposed change has been applied to all obligated facilities. This increased flexibility to adopt and revise plans means that the facilities can take advantage of comments, whenever received, and obviates the need for an extended period for public consideration, which is the basis for the present 60-day requirement.

6. Eligibility Criteria

The eligibility criteria have been revised to clarify what has been a source of confusion under the 1979 regulations; that is, whether facilities are required to provide uncompensated services to persons whose services would be paid for under a third-party payment program. The proposed rules make clear, by making the lack of such coverage a criterion for eligibility, that the existence of such coverage eliminates eligibility for uncompensated services. See proposed § 124.505(a)(1). This policy is consistent with long-standing practice and the Federal view of the uncompensated services program as a program of "last resort." See, for example, the discussion at 44 FR 29394, May 18, 1979.

Proposed § 124.505 maintains the current requirements for determining an individual's financial eligibility for uncompensated services. To conform this section to facilities' usual application processes, the proposed rules slightly modify the methods of computing income by requiring the use of income preceding the request for uncompensated services, rather than preceding the determination of eligibility. Proposed § 124.505(a)(2) and proposed § 124.505(b) also update the current requirements, by referencing the "poverty line" issued by the Department, in accordance with sec. 683(c)(1) of Pub. L. 97–35. Proposed § 124.505(b) establishes in the regulations that revisions of the poverty line will be effective 60 days following their publication in the **Federal Register**. This proposal is consistent with the general administrative practice followed since the inception of the existing rules.

7. Allocation Plans

The allocation plan requirements of the current rules have been retained. Facilities retain their discretion to determine certain specified elements of the allocation plan, including determining which services to make available as uncompensated services, and whether to offer these services to Category B patients. As discussed above, proposed § 124.506(b)(2) modifies the existing requirements for facilities which fail to publish a plan or publish it late. The Department believes that this modification closely reflects actual practice by facilities in such situations, and that such practice, being reasonable, should be reflected in the proposed rules.

8. Determinations of Eligibility

Proposed § 124.507 retains the basic policies of the current rules in most respects, but clarifies several points that have proved confusing. Proposed § 124.507(a) makes clear that determinations must be written, while proposed § 124.507(b) clarifies that denials are a form of determination and spells out the requirements for conditional determinations (which are expanded to conform to proposed § 124.506(a)(1)).

The major change to the determination requirement appears in proposed § 124.507(c), relating to the timing of determinations. The proposed rule preserves intact for hospitals and most other facilities the current requirement of a two-day determination of eligibility in the case of requests for service made before admission or treatment. This policy is consistent with the concern expressed by the *Corum* court, *supra*, that persons reluctant to incur medical services without assurance of payment be able to obtain that assurance in a timeframe consistent with sound medical care (see the discussion at 44 FR 29393, May 18, 1979). However, proposed § 124.507(c) eliminates the two-day requirement in situations to which the concern of the *Corum* court is not applicable, *i.e.*, where liability for the cost of the services has already been assumed. Thus, proposed § 124.507(c)(2) provides that in cases where the request for uncompensated services is made during or after receipt of services, the determination must be made before the close of the first full billing period following the request. This will enable facilities to make determinations in a timeframe that is consistent with their standard accounting practices and thereby lessen the administrative burden of these rules. On the other hand, it, together with the related notice requirement of proposed § 124.504(c)(1)(iv), will provide a defined timeframe within which applicants for uncompensated services can determine whether they will receive such services.

Proposed § 124.507(c) contains parallel provisions for nursing homes, but alters the timeframes. It requires nursing homes to make determinations of eligibility within 10 working days, but

no later than the date of admission, when the request is made prior to admission. For patients who have already been admitted, nursing homes, like other facilities, are required to make determinations before the close of the first full billing period following requests for uncompensated services. A Departmental study was conducted to determine whether the current regulations should apply equally to nursing homes and hospitals. The study's findings indicated that the unique characteristics of nursing homes (*e.g.*, length of stay, waiting lists) provide a basis for amending the rules. The timing aspect of the determination of eligibility requirement was identified as inappropriate for nursing homes. Nursing home patients often are on waiting lists before admission, and typically reside in them for months or years at a time, in contrast to hospital patients, who are admitted quickly and stay for a week on average. These factors indicate little need for quick turnaround on determinations by nursing homes. It is thus our view that extending the present two-day requirement to 10 days for preservice determinations and to the billing period for postservice determinations will give nursing homes needed flexibility to handle the paperwork, at no loss of convenience to applicants for uncompensated services.

9. Cessation of Uncompensated Services

Proposed § 124.508 articulates the conditions under which a facility may stop providing uncompensated services. The proposed provisions clarify and draw together in one place policies of the current rules. *See, e.g.*, 42 CFR 124.508, 124.510(b)(2).

10. Exclusions

The proposed rules eliminate § 124.509 of the current regulations, *Exclusions from uncompensated services*, but retain the principles inherent in the four current exclusions. The exclusion of amounts that a facility is entitled to receive from a third-party insurer or under a government program, § 124.509(a), is reflected in proposed §§ 124.502(l) and 124.505(a)(1). Present § 124.509(d) is also reflected in proposed § 124.505(a)(1), while the present § 124.509(b) is reflected in proposed § 124.502(l). The exclusion provided for by the present § 124.509(c) appears in proposed § 124.503(a)(2), as discussed above.

11. Reporting and Record Maintenance

The existing requirements for reporting on compliance and maintaining records to document compliance have been retained in proposed §§ 124.509 and 124.510. However, major reductions in the reporting and recordkeeping burden for facilities are proposed. As discussed below, the proposed rules eliminate the requirement that facilities provide copies of their allocation plans, published notices, and reporting forms to the HSA in their area. The recordkeeping provisions have been modified to require facilities to maintain records for three years after submission of their compliance report or until 180 days following the Secretary's certification of compliance, whichever is less. See proposed § 124.510(b). The current requirement to keep records for 180 days following the close of the Secretary's investigation fails to establish a date certain after which facilities may dispose of such records. The proposed change removes a potentially burdensome requirement for some facilities and, in the Department's view, is proper in light of its expectation for improved efficiencies in monitoring compliance. The proposed exemption for community health centers and migrant health centers represents a major reduction in the reporting and record maintenance requirements for these facilities, while the compliance standard proposed for such centers removes duplicative paperwork requirements.

12. Investigations and Enforcement of Compliance

Proposed § 124.511(a) retains the policies of the present § 124.511(a), relating to complaints. Proposed § 124.511(b) clarifies the policies through which the Department implements its statutory authority to ascertain compliance by spelling out and expanding upon the assessment and certification processes.

For the purpose of effecting a smooth transition between the current rules and the proposed rules, proposed § 124.511(b)(1)(ii) provides for certification of a compliance amount for a facility for the years between 1979 and the effective date of the new rules. For each facility under obligation at the time the final rules are published, the Department plans to certify amounts of uncompensated services provided under the current rules. Therefore, deficit and excess amounts would be carried over. Some facilities will not as yet have had amounts certified toward their obligations, and others will have previously received certifications for a portion of the years under obligation. In order to speed the transition and permit the concentration of resources on monitoring compliance under the new rules, the Department plans to calculate for each facility the amount of creditable uncompensated services not previously certified. The calculation will be made by adjusting each facility's reported data by a factor derived from a review of all assessments conducted to date. In lieu of accepting this calculation, facilities will be given the option of hiring an independent auditor to determine the amount of creditable uncompensated services provided, and submitting the results to the Secretary. The audit, which must be sufficient for the Secretary to determine the creditability of individual accounts under § 124.503, may be conducted for any years not included in a previous assessment conducted by the Department. The Department will make guidance materials available for this purpose. If the Secretary agrees that a change is appropriate, the Secretary will use this information to adjust the Department's calculation.

Proposed § 124.511(b)(1)(i) contains provision for certifications of substantial compliance in future years. This provision, together with the parallel provision relating to substantial noncompliance at proposed § 124.512(c), is designed to provide a "carrot and stick" approach to the problem of uniform enforcement. Proposed § 124.511(b)(1)(i) provides the "carrot" by providing credit for the claimed compliance level if the facility has substantially complied with the rules, despite aberrations on individual accounts. Proposed § 124.512(c) provides the "stick", by enabling the Secretary to deny credit for any uncompensated services provided in a given year in cases where a facility exhibits a pattern of substantial noncompliance with the major procedural requirements of the rules. Together, these provisions are designed to create a strong incentive for facilities to comply with the rules across the board, thereby enhancing the provision of services to persons unable to pay while lessening the burden of compliance for facilities that make a good faith effort to comply.

13. Agreements With State Agencies

Under proposed § 124.513, any agency of a State, which is willing and able to carry out the tasks covered by the section, would be eligible to enter into an agreement with the Secretary.

14. Health Systems Agencies

The current regulations require facilities to send their allocation plans, published notices, and reporting forms to the health systems agency (HSA) in their area. Because facilities are not required to implement recommendations

they may receive from the HSA, the Department believes the requirement is unnecessary and has eliminated it from the proposed rules. Facilities are encouraged, however, to continue to seek comment on their uncompensated services program from local health planning organizations.

15. Facilities With Small Annual Obligations

A recent study conducted for the Department by A.D. Little, Inc., "Evaluation of the Hill-Burton Program Administrative Compliance Costs," (contract No. 232–82–0011) shows that the average cost for all Hill-Burton facilities of administering the program of uncompensated services under subpart F is approximately $7,800 per year. While the cost is relatively trivial for facilities with sizeable annual compliance levels, it can loom large in the case of a facility whose annual obligation is small. Where a facility with a small Hill-Burton obligation has, or is prepared to adopt, its own program of providing free or below-cost care to persons who are unable to pay for the services, it seems difficult as a matter of public policy to justify insistence that the facility comply with the full panoply of administrative and procedural requirements of subpart F. Accordingly, we are proposing that any facility whose annual compliance level in the current year is $10,000 or less be permitted an exemption from the procedural and administrative requirements of the regulations if the Secretary certifies that the facility conducts a program of providing health services at no or a substantially reduced charge to persons who are unable to pay therefor. See proposed § 124.514. Of those institutions eligible to apply for this exemption, many have annual obligations of less than $5,000. Therefore, in some cases, the administrative costs of compliance would approach or even exceed the annual obligation. The program must provide for objective eligibility criteria and procedures, including notice prior to service except in emergency situations, that assure that all persons served by the facility have an opportunity to apply and obtain determinations of eligibility. A facility would apply for certification by submitting to the Secretary a description of its program of discounted services. Once granted, the certification would remain in effect until withdrawn by the Secretary upon his determination that there has been a material change in the factors on which the certification was based or a material failure by the facility to comply with its continuing obligations under the certification.

There may be some facilities who would qualify for the small-obligation compliance alternative who have incurred deficits under the present regulations. In such cases, the proposed regulations would offer facilities choices, as follows:

a. A Title VI-assisted facility that has been assessed as having a deficit may either demonstrate to the Secretary's satisfaction that it met the requirements for certification in the years for which the deficit was assessed, or make up the deficit by continuing to operate under proposed § 124.514 for a period commensurate with the amount of the deficit at the end of its period of obligation.

b. A Title VI-assisted facility whose compliance has not been assessed for a period prior to certification may either accept no credit for that period and make up the deficit as described in a. above, or hire an independent auditor to conduct an audit of its compliance for the unassessed period and establish that it had no (or a reduced) deficit for that period. The Secretary would make guidance materials available for purposes of such audits.

c. A Title XVI-assisted facility (for which the uncompensated services obligation is not time-limited) with an assessed deficit may eliminate the deficit by demonstrating to the Secretary's satisfaction that it met the requirements for certification in the year for which the deficit was assessed. If it is unable to do so, it would be required to make up the deficit should its certification be withdrawn at any time in the future.

d. A Title XVI-assisted facility whose compliance has not been assessed for a period prior to certification would be presumed to have no allowable credit for the unassessed period. It may either eliminate the deficit by making the showing described in c. above or by an independent audit as described in b. above. If it is unable to do either, it would be required to make up the deficit should its certification be withdrawn at any time in the future.

III. Regulatory Flexibility Act and Executive Order 12291

The proposed rule generally maintains the existing procedural and reporting requirements for the majority of obligated facilities, but significantly reduces the burden for others such as CHC's and facilities with small obligations. Taken as a whole, the proposed rule will produce a reduction in costs in light of its reliance on monitoring for substantial compliance, rather than on auditing and the resulting disallowance of individual accounts.

The Department has determined that the impact of the proposed rules would not approach the annual $100 million threshold for major economic consequences as defined in Executive Order 12291.

The Department estimates that, in the aggregate, administrative savings for facilities will be $1.3 million in the first year and $5.2 million in subsequent years. These savings take into account the increased costs related to the requirement for independent audits for claims of excess over 100 percent of the annual compliance level, and the option to hire independent auditors for the transition calculation. The difference between the administrative savings in the first and subsequent years is attributable to the greater number of transition audits likely to be conducted in the first year. We believe the impact would not approach the annual $100 million threshold for major economic consequences established in Executive Order 12291. In order to reach that threshold, each of the approximately 5,000 obligated facilities would have to claim excesses over 100 percent of their compliance level annually, and conduct audits each year at a cost of $20,000 each. That number of excess claims is highly unlikely, and the cost of an audit would not approach $20,000. Similarly, in order for this proposal to have a significant economic impact, audits conducted for the one-time purpose of transition would also have to be carried out by all obligated facilities at a cost of $20,000 each. This is also highly unlikely. Therefore, a regulatory impact analysis is not required.

Consistent with the provisions of the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Secretary certifies that this rule will not have significant economic impact on a substantial number of small entities.

IV. Paperwork Reduction Act

Sections 124.504 (a) and (c), 124.507(a), 124.509, and §§ 124.510 (a) and (c) of this proposed rule contain information collection requirements which have been approved, under control number 0915–0077, by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980.

Sections 124.503(c)(4) and 124.511(b)(1)(ii), which pertain to the results of independent audits, and § 124.510(b), which modifies the record retention period, contain requirements which are subject to review of OMB under section 3504(h) of the Paperwork Reduction Act of 1980. The Department has submitted a copy of this proposed

rule to OMB for its review of these requirements.

Other organizations and individuals desiring to submit comments on these information collection requirements should direct them to the agency official designated for this purpose whose name appears in this preamble and to the Office of Information and Regulatory Affairs, OMB, New Executive Office Building (Room 3208), Washington, DC 20503, ATTN: Desk Officer for HHS.

List of Subjects in 42 CFR Part 124

Grant programs—health, Health facilities, Loan programs—health, Low income persons, Reporting requirements.

Dated: April 22, 1986.

Donald Ian Macdonald,

Assistant Secretary for Health.

Approved: June 11, 1986.

Otis R. Bowen,

Secretary.

In consideration of the foregoing, it is hereby proposed to amend Part 124 of 42 Code of Federal Regulations as set forth below.

PART 124—[AMENDED]

The authority citation for Part 124 is revised to read as follows:

Authority: Sec. 202(b), Pub. L. 96–79, 93 Stat. 633 (42 U.S.C. 300s(3)); Secs. 215, 1602, 1625, Public Health Service Act (42 U.S.C. 216, 300o–1, 300r).

2. Subpart F is revised to read as follows:

Subpart F—Reasonable Volume of Uncompensated Services to Persons Unable To Pay

Sec.

Subpart F—Reasonable Volume of Uncompensated Services to Persons Unable To Pay

§ 124.501 Applicability.

(a) The provisions of this subpart apply to any recipient of Federal assistance under Title VI or XVI of the Public Health Service Act that gave an assurance that it would make available, in the facility or portion of the facility constructed, modernized or converted with that assistance, a reasonable volume of services to persons unable to pay for the services.

(b) The provisions of this subpart apply to facilities for the following periods:

(1) *Facilities assisted under Title VI.* Except as otherwise herein provided, a facility assisted under Title VI of the Act shall provide uncompensated services at the annual compliance level required by § 124.503(a) for:

(i) Twenty years after the completion of construction, in the case of a facility for which the Secretary provided grant assistance under section 606 of the Act; or

(ii) The period from completion of construction until the amount of a direct loan under section 610 and 623 of the Act, or the amount of a loan with respect to which the Secretary provided a guarantee and interest subsidy under section 623 of the Act, is repaid, in the case of a facility for which such a loan was made.

(iii) "Completion of construction" means:

(A) The date on which the Secretary determines the facility was opened for service;

(B) If the opening date is not available, it means the date on which the Secretary approved the final part of the facility's application for assistance under Title VI of the Act;

(C) If the date of final approval is not available, it means whatever date the Secretary determines most reasonably approximates the date of final approval.

(2) *Facilities assisted under Title XVI.* The provisions of this subpart apply to a facility assisted under Title XVI of the Act at all times following the Secretary's approval of the facility's application for assistance under Title XVI, except that if the facility does not at the time of that approval provide health services, the assurance applies at all times following the facility's initial provision of health services to patients, as determined by the Secretary.

§ 124.502 Definitions.

As used in this subpart—

(a) "Act" means the Public Health Service Act, as amended.

(b) "Allowable credit" for services provided to a specific patient means the lesser of the facility's usual charge for those services, or the usual charge multiplied by the percentage which the total allowable cost as reported by the facility in the facility's preceding fiscal year under Title XVIII of the Social Security Act (42 U.S.C. 1395, *et seq.*) and Subpart D of the implementing regulations (42 CFR 405.401, *et seq.*) bears to the facility's total patient revenues for the year.

(c) "Applicant" means a person who requests uncompensated services or on whose behalf uncompensated services are requested.

(d) "Facility" means an entity that received assistance under Title VI or XVI of the Act and provided an assurance that it would provide a reasonable volume of services to persons unable to pay for the services.

(e) "Federal assistance" means assistance received by the facility under Title VI or Title XVI of the Act and any assistance supplementary to that Title VI or Title XVI assistance received by the facility under any of the following acts: the District of Columbia Medical Facilities Construction Act of 1968, 82 Stat. 631 (Pub. L. 90–457); the Public Works Acceleration Act of 1962 (42 U.S.C. 2641, *et seq.*); the Public Works and Economic Development Act of 1965 (42 U.S.C. 3121, *et seq.*); the Appalachian Regional Development Act of 1965, as amended (40 U.S.C. App.); the Local Public Works Capital Development and Investment Act of 1976 (Pub. L. 94–369). In the case of a loan guarantee with interest subsidy, or a direct loan sold and guaranteed by the Secretary with an interest subsidy, the amount of Federal assistance under Title VI or Title XVI for a fiscal year is the total amount of the interest subsidy that the Secretary will have paid by the close of that fiscal year, as well as any other payments which the Secretary has made as of the beginning of the fiscal year on behalf of the facility in connection with the loan guarantee or the direct loan which has been sold.

(f) "Fiscal year" means the facility's fiscal year.

(g) "Nursing home" means a facility which received Federal assistance for and operates as a "facility for long-term care" as defined at, as applicable, sec. 645(h) or sec. 1624(6) of the Act.

(h) "Operating costs" for any fiscal year means the total operating expenses of a facility as set forth in an audited financial statement, minus the amount of reimbursement, if any, received (or if not received, claimed) in that year under Titles XVIII and XIX of the Social Security Act.

(i) "Persons unable to pay" means persons who meet the eligibility criteria set out in § 124.505.

(j) "Request for uncompensated services" means any indication by or on behalf of an individual seeking services of the facility of the individual's

inability to pay for services. A request for uncompensated services may be made at any time, including following institution of a collection action against the individual.

(k) "Secretary" means the Secretary of Health and Human Services or [his or her] delegatee.

(l) "Uncompensated services" means:

(1) For facilities other than those certified under § 124.514, services that are made available to persons unable to pay for them without charge or at a charge which is less than the allowable credit for those services. The amount of uncompensated services provided in a fiscal year is the total allowable credit for services less the amount charged for the services following an eligibility determination. In determining the amount of uncompensated services, the Secretary includes only those services provided to individuals with respect to whom the facility has made a written determination of eligibility.

(2) For facilities certified under § 124.514, services as defined in paragraph (l)(1) of this section and services that are made available to persons unable to pay for them under programs described by the documentation provided under § 124.514(c)(2). Excluded are services reimbursed by Medicare, Medicaid or other third party programs, including services for which reimbursement was provided as payment in full.

§ 124.503 Compliance level.

(a) *Annual compliance level.* (1) Subject to the provisions of this subpart, a facility is in compliance with its assurance to provide a reasonable volume of services to persons unable to pay if it provides for the fiscal year uncompensated services at a level not less than the lesser of—

(i) Three percent of its operating costs for the most recent fiscal year for which an audited financial statement is available;

(ii) Ten percent of all Federal assistance provided to or on behalf of the facility, adjusted by a percentage equal to the percentage change in the National Consumer Price Index for medical care between the year in which the facility received assistance or 1979, whichever is later, and the most recent year for which a published index is available.

(2) *Qualifying services.* A facility may credit towards its annual compliance level only uncompensated services that are:

(i) Provided to an eligible applicant, as defined at § 124.505;

(ii) Covered by the facility's allocation plan under § 124.506;

(iii) Documented by a written determination of eligibility made in accordance with § 124.507; and

(iv) Provided within 96 hours following notification to the facility by a peer review organization (PRO) that the PRO disapproved of the services under section 1155(a)(1) or section 1154(a)(1) of the Social Security Act.

(b) *Deficits.* If in any fiscal year a facility fails to meet its annual compliance level, it shall provide uncompensated services in an amount sufficient to make up that deficit in subsequent years, and its period of obligation shall be extended until the deficit is made up.

(1) *Types of deficits.* For purposes of determining the timing and amount of any deficit make-up, there are two types of deficits:

(i) *Justifiable deficits.* A justifiable deficit is one in which the facility did not meet its annual compliance level due to either financial inability (as determined under § 124.511(c)) or, although otherwise in compliance with this subpart, a lack of eligible applicants for uncompensated services during the fiscal year.

(ii) *Noncompliance deficits.* A noncompliance deficit is one in which the facility failed to meet its annual compliance level due to noncompliance with this subpart.

(2) *Timing of deficit make-up*—(i) *Justifiable deficits.* (A) A facility assisted under Title VI of the Act may make up a justifiable deficit at any time during its period of obligation or in the year (or years, if necessary) immediately following its period of obligation.

(B) A facility assisted under Title XVI of the Act is not required to make up a justifiable deficit.

(ii) *Noncompliance deficits.* (A) A facility must begin to make up a noncompliance deficit in the fiscal year following the finding of noncompliance by the Secretary.

(B) A facility which claimed financial inability under § 124.509(b)(3) and is found by the Secretary to have been financially able to provide uncompensated services in the year in which the deficit was incurred shall begin to make up the deficit beginning in the fiscal year following the Secretary's finding.

(C) A facility required to make up a noncompliance deficit but which is determined by the Secretary, pursuant to § 124.511(c), to be financially unable to do so in the year following the Secretary's finding of noncompliance shall make up the deficit in accordance with a schedule set by the Secretary.

(3) *Deficit make-up amount.* (i) The amount of a deficit in any fiscal year is the difference between the facility's annual compliance level for that year and the amount of uncompensated services provided in that year.

(ii) The amount of a justifiable deficit must be adjusted by a percentage equal to the percentage change in the National Consumer Price Index between the fiscal year in which the deficit was incurred and the fiscal year in which it was made up.

(iii) An amount equal to the result of dividing the amount of any noncompliance deficit for a fiscal year by the number of years of obligation remaining and adjusting it by a percentage equal to the percentage change in the National Consumer Price Index between the fiscal year in which the deficit was incurred and the fiscal year in which it was made up shall be added to a facility's annual compliance level for each fiscal year following the fiscal year of the finding of noncompliance.

(4) *Affirmative action plan for precluding future deficits.* Except where a facility reports to the Secretary in accordance with § 124.509(b)(3) that it was financially unable to provide uncompensated services at the annual compliance level, a facility that fails to meet its annual compliance level in any fiscal year shall, in the following year, develop and implement a plan of action that can reasonably be expected to enable the facility to meet its annual compliance level. Such actions may include special notice to the community though newspaper, radio, and television, or expansion of service to Category B persons. The Secretary may require changes to the plan.

(c) *Excesses.* (1) Whenever a facility provides in a fiscal year uncompensated services in an amount exceeding its annual compliance level, it may apply the amount of excess to reduce its annual compliance level in any subsequent fiscal year. The facility may use any excess amount to reduce its annual compliance level only if the services in excess of the annual compliance level are provided in accordance with the requirements of this subpart.

(2) *Calculation and adjustment of excess.* (i) The amount of an excess in uncompensated services in any fiscal year is the difference between the amount of uncompensated services the facility provided in that year and the facility's annual compliance level for that year.

(ii) The amount of any excess compliance applied to reduce a facility's annual compliance level must be adjusted by a percentage equal to the

percentage change in the National Consumer Price Index for medical care between the fiscal year in which the facility provided the excess, and the fiscal year in which the facility applies the excess to reduce its annual compliance level or satisfy its remaining obligations.

(3) A facility assisted under Title VI may in any fiscal year apply the amount of excess credited under this paragraph to satisfy the remainder of its obligation to provide uncompensated services.

(i) For grant assistance, the remaining obligation is the average of the facility's annual compliance levels in the previous three years, multiplied by the number of years remaining in its period of obligation, plus any deficits required to be made up under this section, and less any unused excesses accrued in prior years.

(ii) For loan assistance, the remaining obligation is the lesser of: (A) The facility's annual compliance level in that year, calculated under the ten percent method, multiplied by the number of years remaining in the scheduled life of the loan, plus the sum of ten percent of each yearly cumulative total of additional interest subsidy or other payments (which the Secretary will have made in connection with the guaranteed loan or a direct loan which has been sold) in each subsequent year remaining in the scheduled life of the loan, plus any deficits required to be made up under this section, and less any unused excesses accrued in prior years; or (B) the average of the facility's annual compliance levels in the previous three years, computed under the three percent method, multiplied by the number of years remaining in its period of obligation, plus any deficits required to be made up under this section, and less any unused excesses accrued in prior years.

(4) Excesses which are reported under § 124.509(a) in an amount greater than one hundred percent of a facility's adjusted annual compliance level for that year must be substantiated by a certified, independent audit, conducted in accordance with procedures specified by the Secretary, of the facility's records required to be maintained under § 124.510(a).

(d) For each fiscal year for which a facility that receives a grant to operate a community health center under section 330 of the Act or a migrant health center under section 329 of the Act is in substantial compliance with the terms and conditions of such grant relating to the provision of services at a discount, the facility shall be deemed to have met its annual compliance level in accordance with the requirements of this subpart and shall not be required otherwise to comply with the requirements of this subpart for that fiscal year.

§ 124.504 Notice of availability of uncompensated services.

(a) *Published notice.* A facility shall, before the beginning of its fiscal year, publish in a newspaper of general circulation in its area notice of its uncompensated services obligation. The notice shall include:

(1) The plan of allocation the facility proposes to adopt;

(2) The amount of uncompensated services the facility intends to make available in the fiscal year or a statement that the facility will provide uncompensated services to all persons unable to pay who request uncompensated services;

(3) An explanation, if the amount of uncompensated services the facility intends to make available in a fiscal year is less than the annual compliance level. If a facility has satisfied its remaining uncompensated services obligation since the last published notice under this paragraph, or will satisfy the remaining obligation during the fiscal year, the explanation must include this information; and

(4) A statement inviting interested parties to comment on the allocation plan.

(b) *Posted notice.* (1)(i) The facility shall post notices, which the Secretary supplies in English and Spanish, in appropriate areas in the facility, including but not limited to the admissions areas, the business office and the emergency room.

(ii) If in the service area of the facility the "usual language of households" of ten percent or more of the population according to the most recent figures published by the Bureau of the Census is other than English or Spanish, the facility shall translate the notice into that language and post the translated notice on signs substantially similar in size and legibility to, and posted with those supplied under paragraph (b)(1)(i) of this subsection.

(iii) The facility shall make reasonable efforts to communicate the contents of the posted notice to persons who it has reason to believe cannot read the notice.

(2) If a facility determines that it has provided uncompensated services in an amount sufficient to meet its annual compliance level for the fiscal year or its allocation for any period specified in its allocation plan, and that it will not continue to provide uncompensated services during the fiscal year or the appropriate period, it may post an additional notice stating that it has satisfied its obligation for the fiscal year or appropriate period and when additional uncompensated services will be available.

(c) *Individual written notice.* (1) In any period during a fiscal year in which uncompensated services are available in the facility, the facility shall provide individual written notice of the availability of uncompensated services to each person who seeks services in the facility on behalf of himself or another. The individual written notice must:

(i) State that the facility is required by law to provide a reasonable amount of care without or below charge to people who cannot afford care;

(ii) Set forth the criteria the facility uses for determining eligibility for uncompensated services (in accordance with the financial eligibility criteria and the allocation plan);

(iii) State the location in the facility where anyone seeking uncompensated services may request them; and

(iv) State that the facility will make a written determination of whether the person will receive uncompensated services, and the date by or period within which the determination will be made.

(2) The facility shall provide the individual written notice before providing services, except where the emergency nature of the services provided makes prior notice impractical. If this exception applies, the facility shall provide the individual written notice to the next of kin or to the patient as soon as practical, but not later than when first presenting a bill for services.

(3) The facility shall make reasonable efforts to communicate the contents of the individual written notice to persons who it has reason to believe cannot read the notice.

§ 124.505 Eligibility criteria.

(a) A person unable to pay for health services is a person who—

(1) Is not covered, or receives services not covered, under a third-party insurer or governmental program, except where the person is not covered because the facility fails to participate in a program in which it is required to participate by § 124.603(c); and

(2) Falls into one of the following categories:

(i) *Category A*—A person whose annual individual or family income, as applicable, is not greater than the current poverty line issued by the Secretary pursuant to 42 U.S.C. 9902 that applies to the individual or family. The facility shall provide uncompensated services to persons in Category A without charge.

(ii) *Category B*—A person whose annual individual or family income, as applicable, is greater but not more than twice the poverty line issued by the Secretary pursuant to 42 U.S.C. 9902 that applies to the individual or family. If persons in Category B are included in the allocation plan, the facility shall provide uncompensated services to these persons without charge, or in accordance with a schedule of charges as specified in the allocation plan.

(b) For purposes of determining eligibility for uncompensated services, revisions of the poverty line are effective 60 days from the date of their publication in the **Federal Register**.

(c) A person is eligible for uncompensated services if the person's individual or family annual income, as applicable, is at or below the level established under paragraph (a)(2) when calculated by either of the following methods:

(1) Multiplying by four the person's or family's income, as applicable, for the three months preceding the request for uncompensated services;

(2) Using the person's or family's income, as applicable, for the twelve months preceding the request for uncompensated services.

§ 124.506 Allocation of services; plan requirement.

(a)(1) A facility shall provide its uncompensated services in accordance with a plan that sets out the method by which the facility will distribute its uncompensated services among persons unable to pay. The plan must:

(i) State the type of services that will be made available;

(ii) Specify the method, if any, for distributing those services in different periods of the year;

(iii) State whether Category B persons will be provided uncompensated services, and if so, whether the services will be available without charge or at a reduced charge;

(iv) If services will be made available to Category B persons at a reduced charge, specify the method used for reducing charges, and provide that this method is applicable to all persons in Category B; and

(v) Provide that the facility provides uncompensated services to all persons eligible under the plan who request uncompensated services.

(2) A facility must adopt an allocation plan that meets the requirements of paragraph (a) by publishing the plan in a newspaper of general circulation in its area before the beginning of its fiscal year.

(b)(1) If in any fiscal year a facility fails to adopt and publish a plan in accordance with paragraph (a), it shall provide uncompensated services in accordance with the last plan it published in a newspaper of general circulation in its area.

(2) If no plan was previously published in a newspaper of general circulation in the facility's area, the facility must provide uncompensated services without charge to all applicants in Category A and Category B who request service in any portion of the facility until the facility reaches its annual compliance level or publishes an allocation plan in a newspaper of general circulation in the area it serves, whichever first occurs.

(c) A facility may revise its allocation plan during the fiscal year by publishing the revised plan in a newspaper of general circulation in the area it serves. A revised plan may not be retroactive.

§ 124.507 Written determinations of eligibility.

(a) Determinations of eligibility must be in writing, be made in accordance with this section, and a copy of the determination must be provided to the applicant promptly.

(b) *Content of determinations*— (1) *Favorable determinations.* A determination that an applicant is eligible must indicate:

(i) That the facility will provide uncompensated services at no charge or at a specified charge less than the allowable credit for the services;

(ii) The date on which services were requested;

(iii) The date on which the determination was made;

(iv) The income of the applicant; and

(v) The date on which services were or will be first provided to the applicant.

(2) *Conditional determinations.* (i) As a condition to providing uncompensated services, a facility may:

(A) Require the applicant to furnish any information that is reasonably necessary to substantiate eligibility; and

(B) Require the applicant to apply for any benefits under third party insurer or governmental programs to which he/she is or could be entitled upon proper application.

(ii) A conditional determination must:

(A) Comply with paragraph (b)(1) of this section; and

(B) State the condition(s) under which the applicant will be found eligible.

(iii) When a facility determines that the condition(s) upon which a conditional determination was made has been met, or will not be met, it shall make a favorable determination or denial on the request, as appropriate, in accordance with this section.

(3) *Denials.* A facility must provide to each applicant denied the uncompensated services requested, in whole or in part, a dated statement of the reasons for the denial.

(c) *Timing of determinations*—(1) *Preservice determinations.* (i) Facilities other than nursing homes shall make a written determination of eligibility within two working days following a request for uncompensated services which is made before receipt of outpatient services or before admission for inpatient services;

(ii) Nursing homes shall make a written determination of eligibility within ten working days, but no later than the date of admission, following a request for uncompensated services made prior to admission.

(2) *Postservice determinations.* All facilities shall make a written determination of eligibility not later than the end of the first full billing period following a request for uncompensated services which is made after receipt of outpatient services or after admission for inpatient or nursing home services.

§ 124.508 Cessation of uncompensated services.

Where a facility has maintained the records required by § 124.510(a) and determines based thereon that it has met its annual compliance level for the fiscal year or the appropriate level for the period specified in its allocation plan, it may, for the remainder of that year or period:

(a) Cease providing uncompensated services;

(b) Cease providing individual notices in accordance with § 124.504(c); and

(c) Remove the posted notices required by § 124.504(b).

§ 124.509 Reporting requirements.

(a) *Facilities not covered by § 124.514*—(1) *Timing of reports.*

(i) A facility shall submit to the Secretary a report to assist the Secretary in determining compliance with this subpart once every three fiscal years, on a schedule to be prescribed by the Secretary.

(ii) A facility shall submit the required report more frequently than once every three years under the following circumstances:

(A) If the facility determines that in the preceding fiscal year it did not provide uncompensated services at the annual compliance level, it shall submit a report.

(B) If the Secretary determines, and notifies the facility in writing that a report is needed for proper administration of the program, the

facility shall submit a report within 90 days after receiving notice from the Secretary, or within 90 days after the close of the fiscal year, whichever is later.

(iii) Except as specified in paragraph (a)(1)(ii)(B) of this section, the reports required by this section shall be submitted within 90 days after the close of the fiscal year, unless a longer period is approved by the Secretary for good cause.

(2) *Content of report.* The report must include the following information in a form prescribed by the Secretary:

(i) Information that the Secretary prescribes to permit a determination of whether a facility has met the annual compliance level for the fiscal years covered by the report;

(ii) The date on which the notice required by § 124.504(a) was published, and the name of the newspaper that printed the notice;

(iii) If the amount of uncompensated services provided by the applicant in the preceding fiscal year was lower than the annual compliance level, an explanation of why the facility did not meet the required level. If the facility claims that it failed to meet the required compliance level because it was financially unable to do so, it shall explain and provide documentation prescribed by the Secretary;

(iv) If the facility is required to submit an affirmative action plan, a copy of the plan.

(v) Other information that the Secretary prescribes.

(3) *Institution of suit.* Not later than 10 days after being served with a summons or complaint the facility shall notify the HHS Regional Health Administrator [1] for the Region in which it is located of any legal action brought against it alleging that it has failed to comply with the requirements of this subpart.

(b) *Facilities covered by § 124.514.* A facility certified under § 124.514 shall comply with paragraph (a)(3) of this section and shall submit within 90 days after the close of its fiscal year, as appropriate:

(1) A certification, signed by the responsible official of the facility, that there has been no material change in the factors upon which the certification under § 124.514 was based; or

(2) A certification, signed by the responsible official of the facility and supported by appropriate documentation, that there has been a material change in the factors upon which the certification under § 124.514 was based.

[1] The addresses of the HHS Regional Offices are set out in 45 CFR 5.31.

§ 124.510 Record maintenance requirements.

(a) *Facilities not covered by § 124.514.* (1) A facility shall maintain, make available for public inspection consistent with personal privacy, and provide to the Secretary on request, any records necessary to document its compliance with the requirements of this subpart in any fiscal year, including:

(i) Any documents from which the information required to be reported under § 124.509(b) was obtained;

(ii) Accounts which clearly segregate uncompensated services from other accounts; and

(iii) Copies of written determinations of eligibility under § 124.507.

(2) A facility shall retain the records maintained pursuant to paragraph (a)(1) for three years after submission of the report required by § 124.509(a)(1) or until 180 days following the Secretary's certification of compliance under § 124.511(b), whichever is less.

(3) A facility shall, within 60 days of the end of each fiscal year, determine the amount of uncompensated services it provided in that fiscal year. Documents that support the facility's determination shall be made available to the public on request. If a report is or will be filed under § 124.509(a)(1), a facility may respond to a request by providing a copy of the report to the requester.

(b) *Facilities covered by § 124.514.* A facility certified under § 124.514 shall maintain, make available for public inspection consistent with personal privacy, and provide to the Secretary on request, any records necessary to document its compliance with the requirements of this subpart in any fiscal year, including those documents submitted to the Secretary under § 124.514(c). A facility shall maintain these records for three years except where a longer period is required as a result of an investigation by the Secretary. In such cases, records must be kept until following the close of the Secretary's investigation under § 124.511.

§ 124.511 Investigation and determination of compliance.

(a) *Complaints.* A complaint that a facility is out of compliance with the requirements of this subpart may be filed with the Secretary by any person.

(1) A complaint is considered to be filed with the Secretary on the date the following information is received in the Office of the HHS Regional Health Administrator for the Region in which the facility is located:

(i) The name and address of the person making the complaint or on whose behalf the complaint is made;

(ii) The name and location of the facility;

(iii) The date or approximate date on which the event complained of occurred; and

(iv) A statement of what actions the complainant considers to violate the requirements of this subpart.

(2) The Secretary promptly provides a copy of the complaint to the facility named in the complaint.

(3) When the Secretary investigates a facility, the facility, including a facility certified under § 124.514, shall provide to the Secretary on request any documents, records and other information concerning its operations that relate to the requirements of this subpart. A facility certified under § 124.514 will be presumed to be out of compliance with its certification unless it supplies documentation sufficient to show compliance with the programs of discounted health services certified under that section.

(4) Section 1627 of the Act provides that if the Secretary dismisses a complaint or the Attorney General has not brought an action for compliance within six months from the date on which the complaint is filed, the person filing it may bring a private action to effectuate compliance with the assurance. If the Secretary determines that he/she will be unable to issue a decision on a complaint or otherwise take appropriate action within the six month period, he/she may, based on priorities for the disposition of complaints that are established to promote the most effective use of enforcement resources, or on the request of the applicant, dismiss the complaint without a finding as to compliance prior to the end of the six month period, but no earlier than 45 days after the complaint is filed.

(b) *Assessments.* The Secretary periodically investigates and assesses facilities to:

(1) Ascertain compliance with the requirements of this subpart, including certification of the amount of uncompensated services provided in a fiscal year or years.

(i) The Secretary may certify that a facility has substantially complied with its assurance for a fiscal year or years, and such certification shall establish that the facility provided the amount of uncompensated services certified for the period covered by the certification. A certification of substantial compliance shall be made based on procedures determined by the Secretary to be

sufficient to establish that the facility has substantially complied with its assurance for the period covered by the certification. In making a certification of substantial compliance for any fiscal year, the Secretary will examine patterns of substantial compliance by the facility with:

(A) The individual written notice provisions of § 124.504(c);

(B) The written determinations of eligibility provisions of § 124.507;

(C) The reporting provisions of § 124.509; and

(D) The record maintenance provisions of § 124.510.

(ii) Where a facility disputes the amount certified for transition purposes for fiscal years prior to the effective date of these rules, it may obtain reconsideration of the transition certification by submitting an independent certified audit, conducted in accordance with procedures specified by the Secretary, of the facility's records maintained pursuant to § 124.510.

(2) Provide guidance and prescribe action to correct noncompliance.

(c) *Determinations of financial inability.* In determining whether a facility was or is financially able to meet its annual compliance level, the Secretary will consider any comments submitted by interested parties. In making this determination, the Secretary will consider factors such as:

(1) The ratio of revenues to expenses;

(2) The occupancy rate;

(3) The ratio of current assets to current liabilities;

(4) The average cost per patient day;

(5) The number of days of operating expenses in accounts payable;

(6) The number of days of revenues in accounts receivable;

(7) The sinking fund (or depreciation fund) balance;

(8) The debt coverage ratio; and

(9) The availability of restricted or unrestricted funds (such as an endowment) available for charitable use.

§ 124.512 Enforcement.

(a) If the Secretary finds, based on his/her investigation under § 124.511, that a facility did not comply with the requirements of this subpart, he/she may take any action authorized by law to secure compliance, including but not limited to voluntary agreement or a request to the Attorney General to bring an action against the facility for specific performance.

(b) A facility, including a facility certified under § 124.514, that has denied uncompensated services to any person because it failed to comply with the requirements of this subpart will not be in compliance with its assurance until it takes whatever steps are necessary to remedy fully the noncompliance, including:

(1) Provision of uncompensated services to applicants improperly denied;

(2) Repayment of amounts improperly collected from persons eligible to receive uncompensated services; and

(3) Other corrective actions prescribed by the Secretary.

(c) The Secretary may disallow the amount of uncompensated services reported by a facility in any fiscal year if the Secretary finds a pattern of substantial noncompliance in that year which indicates the facility:

(1) Improperly denied uncompensated services to applicants and failed to take the actions prescribed pursuant to paragraph (b) of this section;

(2) Failed to comply with the individual written notice provisions of § 124.504(c);

(3) Failed to make written determinations of eligibility in accordance with § 124.507;

(4) Failed to comply with the reporting requirements of § 124.509; or

(5) Failed to comply with the record maintenance requirements of § 124.510.

§ 124.513 Agreements with State agencies.

(a) Where the Secretary finds that it will promote the purposes of this subpart and the State agency is able and willing to do so, he or she may enter into an agreement with an agency of a State to assist in administering this subpart in the State. An agreement may be terminated by the Secretary or the State agency on 60 days notice.

(b) Under an agreement the State agency will provide the Secretary with any assistance he or she requests in any one or more of the following areas, as set out in the agreement:

(1) Investigation of complaints regarding noncompliance;

(2) Monitoring of the compliance of facilities with the requirements of this subpart;

(3) Review of reports submitted under § 124.509, including affirmative action plans;

(4) Making initial decisions for the Secretary with respect to compliance, subject to appeal by any party to the Secretary or review by the Secretary on the Secretary's initiative; and

(5) Application of any sanctions available to it under State law (such as license revocation or termination of State assistance) against facilities determined to be out of compliance with the requirements of this subpart.

(c) Nothing in this subpart precludes any State from taking any action authorized by State law regarding the provision of uncompensated services by facilities in the State as long as the action taken does not prevent the Secretary from enforcing the requirements of this subpart.

§ 124.514 Compliance alternative for facilities with small annual obligations.

(a) *Effect of certification.* The Secretary may certify a facility which meets the requirements of paragraphs (b) and (c) of this section as a "facility with a small annual obligation." A facility which is so certified is not required to comply with this subpart except as otherwise herein provided.

(b) *Criteria for qualification.* A facility may qualify for certification under this section if all of the following criteria are met:

(1) Its annual compliance level, as determined under § 124.503(a), is not more than:

(i) For the facility's fiscal year in which this section becomes effective, $10,000;

(ii) For a subsequent fiscal year, $10,000, adjusted by a percentage equal to the percentage change in the National Consumer Price Index for medical care between the year in which this section becomes effective and the most recent year for which a published index is available.

(2) It provides health services without charge or at a substantially reduced rate to persons who are determined by the facility to qualify therefor under a program of discounted health services. A "program of discounted health services" must provide for financial and other objective eligibility criteria and procedures, including notice prior to nonemergency service, that assure effective opportunity for all persons to apply for and obtain determination of eligibility for such services, including determination prior to service where requested; *provided that,* such criteria and procedures are not required where the facility makes all services available to all persons at no or nominal charge.

(c) *Procedures for certification.* To be certified under this section, a facility must submit to the Secretary, in addition to other materials that the Secretary may from time to time require, a complete description of its program(s) of discounted health services, including charging and collection policies of the facility, and eligibility criteria and notice and determination procedures used under its program(s) of discounted services.

(d) *Period of effectiveness.* A certification by the Secretary under this section remains in effect until withdrawn. The Secretary may withdraw a certification under this subpart when the Secretary determines that there has been a material change in the factors upon which certification was based or a material failure to comply with the applicable requirements of this subpart.

(e) *Deficits*—(1) *Title VI-assisted facilities with deficits.* Where a facility assisted under Title VI of the Act has been assessed pursuant to § 124.511(a) as having a deficit under § 124.503(b) that has not been made up prior to certification under this section, the facility may make up the deficit by either—

(i) Demonstrating to the Secretary's satisfaction that it met the requirements of paragraph (b) of this section for each year in which a deficit was assessed; or

(ii) Providing an additional period of service under this section on the basis of one (or portion of a) year of certification for each year (or portion of a year) of deficit assessed. The period of obligation applicable to the facility under § 124.501(b) shall be extended until the deficit is made up in accordance with the preceding sentence.

(2) *Title VI-assisted facilities which have not been assessed.* Where any period of compliance under this subpart of a facility assisted under Title VI of the Act has not been assessed pursuant to § 124.511(a), the facility will be presumed to have no allowable credit for such period. The facility may either—

(i) Make up such deficit in accordance with subparagraph (e)(1) of this section; or

(ii) Submit an independent certified audit, conducted in accordance with procedures specified by the Secretary, of the facility's records maintained pursuant to § 124.510. If the audit establishes to the Secretary's satisfaction that no, or a lesser, deficit exists for the period in question, the facility will receive credit for the period so justified. Any deficit which the Secretary determines still remains must be made up in accordance with subparagraph (e)(1) of this section.

(3) *Title XVI-assisted facilities.* (i) A facility assisted under Title XVI of the Act which has an assessed deficit pursuant to § 124.511(a) which was not made up prior to certification under this section shall make up that deficit in accordance with paragraph (e)(1)(i) of this section. If it cannot make the showing required by that paragraph, it shall make up the deficit when its certification under this section is withdrawn.

(ii) A facility assisted under Title XVI of the Act whose compliance with this subpart has not been completely assessed pursuant to § 124.511(a) will be presumed to have no allowable credit for the unassessed period. The facility may make up the deficit by—

(A) Following the procedure of paragraph (e)(3)(i) of this section; or

(B) Submitting an independent certified audit, conducted in accordance with procedures specified by the Secretary, of the facility's records maintained pursuant to § 124.510. If the audit establishes to the Secretary's satisfaction that no, or a lesser, deficit exists for the period in question, the facility will receive credit for the period so justified. Any deficit which the Secretary determines still remains must be made up in accordance with paragraph (e)(3)(i) of this section.

[FR Doc. 86-19145 Filed 8-28-86; 8:45 am]
BILLING CODE 4160-17-M

Federal Register

Friday
August 29, 1986

Part V

Department of Housing and Urban Development

Office of the Assistant Secretary for Housing—Federal Housing Commissioner

24 CFR Part 888

Section 8 Housing Assistance Payments Program; Fair Market Rent Schedules for Use in the Existing Housing Certificate Program, Loan Management and Property Disposition Programs, Moderate Rehabilitation Program and Housing Voucher Program

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Housing—Federal Housing Commissioner

24 CFR Part 888

[Docket No. N-86-1573; FR-2133]

Section 8 Housing Assistance Payments Program: Fair Market Rent Schedules for Use in the Existing Housing Certificate Program, Loan Management and Property Disposition Programs, Moderate Rehabilitation Program and Housing Voucher Program

AGENCY: Assistant Secretary for Housing-Federal Housing Commissioner, HUD.

ACTION: Final notice.

SUMMARY: Section 8(c)(1) of the United States Housing Act of 1937 requires the Secretary to publish Fair Market Rents periodically, but not less frequently than annually. This document announces fiscal year 1986 Fair Market Rent Schedules for all market areas for the Section 8 Existing Housing Certificate Program and Moderate Rehabilitation Program (Part 882), including space rentals by owners of manufactured homes under the Section 8 Existing Housing Certificate Program (Part 882, Subpart F) and for existing housing assisted under Part 886, Subparts A and C. In addition, FMRs are used to determine the computation of subsidy in the Housing Voucher Program. While today's document lists final rents for all areas, the Department also published a partial list of rents in the April 22, 1986, Federal Register.

EFFECTIVE DATE: August 29, 1986.

FOR FURTHER INFORMATION CONTACT: Cecelia D. Livingston, Existing Housing Division, Office of Elderly and Assisted Housing, telephone (202) 755-6477. For technical information on the development of schedules for specific areas or the method used for the rent calculations, contact Michael R. Allard, Economic and Market Analysis Division, Office of Economic Affairs, telephone (202) 755-5577. (These are not toll-free numbers.)

SUPPLEMENTARY INFORMATION:

Background

Section 8 of the United States Housing Act of 1937 (the Act) (42 U.S.C. 1437f) authorizes a housing assistance program to aid lower income families in renting decent, safe, and sanitary housing. Assistance payments are limited by Fair Market Rents (FMRs) established by HUD for different areas.

In general, the FMR for an area is the amount that would be needed to rent privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. Section 8(c) of the Act requires the Secretary of HUD to publish FMRs periodically, but not less frequently than annually.

1986 Fair Market Rent Schedules

Proposed FMRs. The Department proposed fiscal year 1986 (FY 1986) FMRs on January 2, 1986 (51 FR 75), which reflect estimated rent levels as of April 1, 1986. The elements used by HUD in developing the FMRs are the same as those HUD has used in the past and include: (1) The 45th percentile rent (that is, the rent below which 45 percent of the standard quality rental housing units are distributed); (2) Rents based on units occupied by recent movers (households who moved within two years before the date of the survey data used in these calculations); and (3) Exclusion from the data base of all public housing units and recently completed housing (units built within two years of the survey dates).

The Department used 1980 Census data for the first time when developing the proposed 45th percentile-standard FMRs for FY 1986. These data resulted in proposed FMRs that were higher than the FY 1985 FMRs in approximately 81 percent of the metropolitan FMR areas and 70 percent of the nonmetropolitan areas. The 1980 Census data also resulted in proposed reductions in the FY 1985 FMRs in approximately 19 percent of the metropolitan areas and in 30 percent of the nonmetropolitan market areas. (In addition to the proposed FMRs published on January 2, 1986, see a correction document reproposing rents for 148 nonmetropolitan areas published in the **Federal Register** on February 18, 1986, 51 FR 5804.)

In the January 2, 1986, Notice, the Department encouraged readers to retain the complete listing of the proposed rents, since it was possible that the Department would announce final rents in one or more final Notices.

To help decide which FMRs could be published for effect in an expedited fashion, the Department also requested in the January 2, 1986 Notice that anyone planning to comment submit a Notice of Intent to comment by February 18, 1986. The Department used these Notices of Intent to assist in determining which FMRs could be published for effect without waiting to complete the analysis of all the submitted comments.

Final FMRs. The Department published FMRs for effect for 2,328 market areas on April 22, 1986 (51 FR 15118). This publication included effective FMRs for all markets, except:

(1) FMR areas that submitted Notices of Intent to Comment *and* for which HUD proposed decreases for one or more bedroom sizes;

(2) The 148 areas that were the subject of the February 18, 1986 correction document.

The Department stated that FMRs that had been proposed for increases were made effective, although public comment could result in the Department's approving further changes. These changes would appear in the second Notice of FMRs published for effect, that is, this document.

Today's Document. Today's document contains a complete list of FMRs for all market areas. These rents are effective today, the date of publication. Readers should check today's document, since some rents appear in final for the first time and some rents may vary from the April 22, 1986 final notice discussed above.

Applicability of Fair Market Rent Schedules

The final FMRs are used to determine assistance amounts for several HUD housing assistance programs. FMRs for the Moderate Rehabilitation Program are 120 percent of the Schedule B Existing Housing Fair Market Rents (see 24 CFR 882.408(a) and 888.113(e)(1)).

Currently, the FMR limitation for a Single Room Occupancy (SRO) unit in the Existing Housing Certificate Program is 75 percent of the zero-bedroom FMR listed in Schedule B. The FMR limitation for an SRO unit in the Moderate Rehabilitation program is 75 percent of the Moderate Rehabilitation FMR for a zero-bedroom unit. For Housing Vouchers, the PHA may request an amount for HUD approval, within the range of 75 and 100 percent of the zero-bedroom FMR or exception rent, based on the presence of either kitchen or sanitary facilities, or the absence of both.

Administrative Fees

The FMRs published for effect will be used to calculate the PHA ongoing administrative fee. For a PHA administering a Section 8 program in an area where the two-bedroom FMR has increased, the PHA's administrative fee will be adjusted as of the first day of the first month following the effective date (today) of the FMRs appearing in this document. For a PHA administering a Section 8 program in an area where the

two-bedroom FMR is decreased, the PHA's administrative fee will be adjusted as of the first day of the PHA's fiscal year that begins after the effective date (today) of the FMRs appearing in this document.

Public Comments

Six hundred and thirty-eight public comments were submitted on the proposed notice. These comments covered 386 of the 2,755 Section 8 Existing FMR areas. About two-thirds of the comments were from public housing agencies, including State housing agencies. The remainder were from the following sources: 130 from owners, realtors, or management companies; 26 from associations; 12 from members of Congress; 9 from legal aid organizations; 11 from individuals; and 4 from representatives of hospitals or churches.

FMRs are established using a two-step process. The first step is to develop estimates of 45th percentile rents based on area-specific 1980 Census or American Housing Survey (AHS) data, updated using the most current available Consumer Price Index data. These estimates are published for comment. The second step is to review the information submitted with public comments to determine whether adjustments to the estimates are needed. While the first step yields estimates that are reasonably accurate for most areas, data limitations are such that a second step is needed to adjust for errors in areas where this is not the case. The final FMRs are then published for effect.

Requests to modify the FMRs proposed earlier this year were received for about one in seven FMR areas. Of the 386 such areas, a decrease was requested for one area and increases were requested for the remainder. The Department evaluated all comments carefully and sought to look behind the information presented when it appeared to have merit but was incomplete or poorly presented. As a result of this process, modifications have been made for 224 FMR areas.

All but one commenter stated the general proposition that the FMRs proposed by the Department for the commenter's locality were too low. In addition to this general proposition, questions were raised by the National Leased Housing Association which covered the concerns of many other commenters. These concerns included: (1) The methodology used to develop FMRs; (2) the effect of the proposed rents on the viability of the Section 8 program; and (3) the effect of lower FMRs on administration of a PHA's program.

1. Methodology Issues

A generally expressed concern was that HUD relies on national rather than local data in preparing FMR estimates, and that HUD procedures do not capture dynamic changes in local rental markets.

The Department notes that metropolitan area and county-group level 1980 Census and post-1980 AHS data are used in estimating FMRs. Subsequent rent changes are estimated using CPI data available for the largest metropolitan areas and the four Census Regions. HUD believes that the resulting estimates generally reflect local market conditions and changes. However, HUD relies on the public comment process to identify areas where use of regional factors is not appropriate, or where there have been abrupt changes in local rental market conditions. Specific comments on HUD methodology are summarized and responded to below.

Issue. It is not clear that the Census data entirely excludes publicly assisted units; the Census relies on self-reporting households, many of whom are not sure about their housing.

Response. The 1980 Census data do not identify publicly owned rental housing. AHS data have identifiers for this purpose. In areas where 1980 Census data are used as the basis for calculating FMRs, estimates are adjusted using factors developed from national AHS data. Correction factors are calculated by comparing the 45th percentile two-bedroom rent for all standard quality units with the same percentile rent resulting if all publicly owned units are excluded from calculations. For metropolitan areas with AHS surveys, FMRs are calculated using locality-specific data excluding publicly assisted units. Other types of assisted housing are not excluded, partly because their market rate rents are, or are supposed to be, reported and partly because available data are not sufficiently reliable for this purpose. As implied by some commenters, it is likely that there are some families in public housing who do not report themselves as such. We have no basis for estimating how many families might be in this category, but analysis of AHS data suggests that most public housing families are correctly categorized and those who are not would have little impact on the rent calculations.

Issue. Several commenters contended that Census reports typically indicate rents that are lower than those derived by other methods of rental market surveys. The commenters conclude, therefore, that Census reports do not produce accurate rent estimates of local housing markets.

Response. From a statistical perspective, it is likely that this perceived difference is a result of inadequacies in these local surveys rather than errors in Census data. Even the most extensive of non-Census local surveys generally includes only a fraction of the Census coverage. Local surveys frequently result in overstated estimates of 45th percentile rents because of sampling biases. The most common problem with local surveys is that they do not proportionately reflect all structure types, age groups, and locations of rental units in the inventory. Typically, there is an overrepresentation of large projects and newer projects. Surveys made up of newspaper advertisements, for example, tend to have a relatively low coverage of less expensive rentals. Tables provided by the Bureau of Census on the statistical reliability of estimates based on 1980 Census data indicate that there is a 95 percent likelihood that the actual two-bedroom 45th percentile rent estimate for a large metropolitan locality will be within one percent of the estimated 45th percentile rent. For very sparsely populated nonmetropolitan areas, the estimate error could be as high as 7 percent, but these would be extreme cases. Most Section 8 activity is in areas where Census-based rent estimates should be accurate within a three-to-four percent range.

HUD has sought to assess the accuracy of Census and AHS rent estimates by comparing rent estimates for localities where surveys were conducted at about the same time. These comparisons strongly suggest that errors are within a reasonable range.

Issue. The Consumer Price Index (used to update Census information) lags far behind current rental housing markets.

Response. There is, on average, an eighteen-month lag from the date of the most recent CPI data and the midpoint of the FMR estimates. HUD seeks to compensate for this lag by trending national-level CPI data forward by eighteen months. For the FY 1986 estimates, an adjustment factor of 5.2 percent was used.

Under- or over-estimations of FMRs are most likely to occur in areas which are not covered by AHS or CPI metropolitan surveys, and in which rental market conditions do not follow the pattern of the Census Division. The longer the period from the 1980 Census, the greater the likelihood of such errors. Program experience and the level of requests for modifications made through

the public comment process suggest that the current system works reasonably well for most areas, and that the public comment process is an effective means of identifying areas where corrections in FMR estimates may be needed.

Issue. The definition of substandard conditions used in the Census data that are gathered is very limited. The Section 8 Housing Quality Standards are much more extensive. Thus, a unit that may be acceptable in the Census data may not be acceptable to the Section 8 program.

Response. Any unit that fails specified criteria is considered inadequate and is not counted when calculating the 45th percentile FMR. The 1980 Census offers fewer housing quality indicators than needed to correspond with HUD's definition of adequate housing. The AHS offers much more extensive data on unit quality. The 24 AHS housing quality indicators selected by HUD result in identifying about ten percent of the inventory as inadequate. The rent ratio obtained from comparing the national-level differential between units that fail the Census quality indicators and those that fail the more extensive AHS criteria is used to adjust Census-based 45th percentile rents upward to correspond with the more extensive quality definition.

The AHS variables used by HUD to measure housing quality do not fully correspond with the Section 8 Housing Quality Standards. Conditions which would result in failing the HQS and passing the AHS-based quality standards, however, are generally of the type that can be easily and inexpensively fixed and, therefore, are not good statistical measures of substandard quality housing. Compliance with Housing Quality Standards is not intended to exclude units from the rental inventory, but to generate repair and maintenance of housing stock.

Issue. The Census data do not appear to exclude minority impacted areas or economically depressed areas.

Response. All of the areas within an FMR area, including very wealthy neighborhoods, minority neighborhoods or economically depressed parts are included for purposes of calculating FMRs. The objective of the FMR process is to set program rent levels high enough to permit a wide selection of units and neighborhoods but low enough to serve the maximum number of low income families. Roughly half of an area's rental inventory should fall within FMR rent standards.

Issue. The Consumer Price Index rent inflator does not appear to make the distinction between recent movers and all renters.

Response. CPI rental cost indices do not distinguish between changes in the rents of recent movers and changes in the rents of households who remain in place. However, the initial rent levels against which these factors are applied are based on the 45th percentile rent estimate applicable to recent movers. Recent mover rents are somewhat higher than average, and the FMR process maintains the percentage differentials derived from the 1980 Census or the most recent metropolitan American Housing Survey. Under unusual housing market conditions, the difference between recent mover and total inventory rents can widen. In such instances, HUD relies on the public comment process to identify what corrections to FMR levels are needed.

Issue. Basing the FMRs for *all* bedroom sizes on HUD-established ratios applied to the estimated FMR for two-bedroom units does not reflect the real differences in rental cost between bedroom sizes and, as currently calculated, effectively detracts from a family's ability to locate an eligible larger unit.

Response. Based on program experience, HUD increased the FMR ratio used to compute three-bedroom and larger units in 1983 by about 10 percent. This was done, not because there was reason to believe that the old bedroom differentials were incorrect, but because it had become clear that larger families had a more difficult time finding affordable standard rental units. The adjustments HUD makes ensures that the bedroom size differentials for larger unit sizes are greater than exist in most market areas, increasing the number of units available to large families in the program. The difficulties large families find in seeking housing appear to be much more a function of landlord preferences for smaller families than inadequacy of FMRs. In instances where a locality can document that unit size differentials used by HUD are inappropriate, a request for a modification of FMRs may be made.

Issue. The current system results in disjunction of FMRs with Annual Adjustment Factor rent increases.

Response. This year's FMR estimates have been revised entirely using 1980 Census and post-1980 AHS data. This is the first overall revision since 1979, although locality-specific revisions are routinely made when a new AHS survey becomes available. Revised data may show that old FMRs have been set at too high or low a level. In such instances, use of the new data permits HUD to improve its accuracy in setting FMRs at the intended program standard.

If FMRs were adjusted solely for movement in local rent levels, Annual Adjustment Factors (AAFs) and FMRs would change at the same rates. However, FMR changes also are influenced by new data used to determine the 45th percentile FMR standard. AAFs apply to units already under lease, and are intended to correct only for changes in local rent levels. Use of FMRs to calculate annual adjustments for units under lease would result in sudden and unwarranted increases and decreases in rents, and would be quite likely to result in a landlord's withdrawing from the program in the event of a decrease. If local FMRs are changed to match more accurately the 45th percentile program standard, it does not follow that rents for units under lease are too high or low. Units under lease may rent at a level above or well below the revised 45th percentile FMR, but this does not mean that the current rent for such units is incorrect or that it should be changed.

Issue. Over 100 commenters felt that HUD may have ignored local conditions mandating higher FMRs. Specifically, commenters cited dramatic increases in property operating costs, usually resulting from rising local property taxes or jumps in water and sewer costs. As one commenter stated, it is the dynamics of the real estate market that are largely responsible for causing rapid increases in market rents. The combination of a shortage of rental housing stock (translating into higher property values) plus lower interest rates has resulted in rapid turnover of rental property ownership. New owners, carrying larger debt service, must raise the rents to meet this debt service. Other commenters noted that the rebound of the economy has resulted in increases in property values, in turn creating a need to increase rental rates. Two other commenters noted that the recent establishment of a university in the community had increased the number of rental units available, but also had raised the rents.

Response. We agree with the commenters who indicated that the development of the proposed rents may not keep apace with a particularly dynamic shift in local rental housing conditions. As stated earlier, however, we rely on local data submitted during the public comment period to identify these dynamic changes.

Issue. Several comments were submitted on the HUD methodology used to determine the FMRs for manufactured home spaces. One commenter posited that no consideration has been given to areas

where the cost of renting a mobile home space may be high because of the characteristics of the area; for example, any coastal community in California will experience a higher cost for renting a manufactured home space than will an inland community. Another commenter noted a shift in practice in the industry, in which manufactured home parks no longer designate single-wide and double-wide spaces and prices; all spaces are priced according to their location in the park, rather than their unit size, and generally can accommodate either single- or double-wide homes. If this trend continues, and if FMRs continue to assume single- and double-wide price differences, it will place an unfair burden on those families only eligible for single-wide assistance.

Response. Currently, the Section 8 Existing Housing Program includes the establishment of FMRs for manufactured home spaces of a modest nature for single- and double-wide spaces. One data source used by HUD, the American Housing Survey (AHS) data, still reflects the use of double- and single-wide space rents. It appears that the practice of establishing rents based on the characteristics of an area is unique to certain parks in California and, at this time, a change in the Department's methodology for establishing FMRs is not justified. However, we also note that while FMRs for manufactured home spaces are published on a State-wide basis, the Department will, upon request, establish FMRs for individual nonmetropolitan counties, as appropriate.

2. Effect of the Proposed Rents on the Viability of the Section 8 Program

General. More than 250 commenters (which included over 100 form letters) indicated that the proposed FMRs would have a negative impact on the operation of the Section 8 program. Concern ranged from the proposed FMRs' rendering the program totally infeasible to the FMRs' limiting a family's choice of units. Over 50 commenters alleged that the program would no longer function if the proposed FMRs became final. Sixty-eight commenters indicated that landlords would drop out of the Section 8 program if rents are too low—that there is no incentive for landlords to continue without some assurance of a reasonable FMR to meet expenses and allow a modest income. Many others indicated that the minimum damage the proposed rents would do would be to affect the success rates of Certificate holders in finding acceptable housing.

Issue. Some commenters believed that the program will cease to function as a vital part of the housing industry servicing the needs of the low income and disabled or handicapped sectors of the community. Lower FMRs will jeopardize the major achievements of the Section 8 program, which include:

(a) Making good quality rental housing affordable to low income persons;

(b) Utilizing existing housing stock for rental to low income persons;

(c) Permitting recipients the option of choosing their own units and location; and

(d) Promoting economic integration of Section 8 participants throughout the community, rather than clustering them in a certain area.

Response. While HUD understands, and, to a certain degree, anticipated, apprehension over the proposed lowering of many FMRs, the Department is confident that the reductions are appropriate.

The United States Housing Act of 1937 requires the Department to establish FMRs at least annually. A basic premise of the FMRs is that they are used in the Section 8 programs as the measure of *modest affordable, nonluxury* housing. The Department also must live within its own budget constraints. Accordingly, on September 23, 1983, the Department adopted (after notice and comment rulemaking) new criteria for the establishment of the FMRs. These criteria include:

(a) The 45th percentile rent (that is, the rent below which 45 percent of standard-quality housing units are distributed);

(b) Rents based on units occupied by recent movers (households who moved within two years before the date of the survey data used in these calculations); and

(c) Exclusion from the data base of all public housing units and recently completed housing (units built within two years of the survey dates).

The most significant shift in these 1983 criteria was from the 50th percentile rent to the 45th percentile rent. The Department lowered the criterion to the 45th percentile in the interest of reducing costs—but only after it had determined that there would be an adequate number of units available which meet the housing quality standards and provide an adequate choice of housing.

In 1986, the Department proposed changes in FMRs to ensure that they remained at the 45th percentile. If, as a result, FMRs were decreased, it means that the introduction of 1980 Census data has corrected what could have been rents that exceeded the criteria established in 1983. On the other hand (and as discussed at length previously), HUD welcomed and encouraged comment from localities if local survey data could show that the proposed rents did not reflect the 45th percentile rent. The Department continues to believe that the 45th percentile rent provides an adequate number of units to continue providing housing to Section 8 Certificate holders.

Finally, while we are concerned that some public housing agencies are finding it harder to place families, we are not convinced that this is a measure of the program's "not working". To date, we are not aware of a jurisdiction either turning back Certificates or terminating its program because of inadequate FMR levels.

Issue. Approximately 75 commenters predicted that the reduction in FMRs will result in a reduction in the quality and quantity of units, which will create problems in meeting HUD's Housing Quality Standards. A further criticism was that the Section 8 program may be *creating* slum areas, rather than preventing them.

Response. Since the FMR estimates are based on the 45th percentile of *standard* quality housing, we do not see this as a problem. In addition, the 45th percentile rent levels have been used since 1983, and the Department is not aware of any decreases in the quality of housing to date. If anything, HUD is aware of improvements in the enforcement of the Housing Quality Standards, which have resulted in improvements in the quality of leased units.

Issue. Several commenters noted that lower FMRs will jeopardize the Rental Rehabilitation program, because decreased FMRs will make fewer rehabilitation projects feasible. One commenter questioned the rationale of lower FMRs in the interest of cost containment, since the commenter believes that lower FMRs will increase the per-unit rehabilitation cost to Federal and local governments as it reduces the number of units assisted.

Response. The lowering of FMRs in some areas is based on new data that brings FMRs in line with the 45th percentile rent level, consistent with criteria established in 1983. Regarding concern about the Rental Rehabilitation program, we repeat our response to similar comments in the two previous years: participants in the Rental Rehabilitation Program are expected to deliver at least 80 percent of the rehabilitated units at rents below the FMRs. Local officials are responsible for selecting appropriate buildings and neighborhoods and for developing methods to finance the rehabilitations

that ensure affordability for 80 percent of the units.

Issue. One State task force reported it had found that 52,000 households in its State are "at risk" of becoming homeless because (a) they pay half or more of their income for housing or (b) live in substandard or overcrowded conditions, or both. The commenter believed that there will not be enough landlords interested in the Section 8 program.

Response. While the Department agrees that persons who pay more than half of their income for rent or live in substandard or overcrowded housing or both have serious housing problems, we do not believe that 45th percentile FMRs are the cause. Rather, we believe the commenter really is raising a concern about an inadequate *amount* of assistance being available—given the number of persons needing assistance.

Issue. One commenter indicated that the proposed FMRs would severely limit its county-sponsored portability program. The commenter's portability program allows families to move from the city to any of 18 surrounding suburban communities.

Response. The Department's policy on exception rents (see 24 CFR 882.106(a)) allows a PHA to provide a wider choice of housing opportunities to its Certificate holders in higher cost areas. The proposed FMRs do not affect this basic policy.

3. The Effect of Lower FMRs on Other Administrative Areas of the PHA's Operation

Sixty-one commenters raised issues concerning the effect the proposed FMRs would have on the ability of the PHA to administer the program.

Issue. Several comments made the point that lower FMRs result in lost income to the PHAs in two ways. First, if the FMR is lowered, many current landlords will terminate their contracts. Participants displaced by landlords dropping out will have difficulty finding units, and thus, the number of active units will decline. Since administrative fees are a function of the number of units under lease, the PHA's administrative fee will be reduced.

Second, since the administrative fee is derived as a percentage of the two-bedroom FMR, any reduction in the FMR for the two-bedroom unit results in a decrease in the administrative fee for the PHA.

Response. While some landlords may drop out of the Section 8 program, we are not aware, to date, of this happening. In addition, we do not believe that either the success rate or number of units under lease will decline, because rents are established at the 45th percentile rent of standard units, as they have been since 1983.

It is true that a reduction in the two-bedroom FMR will result in a reduction in the actual amount of the administrative fee. However, because FMRs remain at the 45th percentile rent of standard units, we do not see this as a change in policy.

Issue. Several PHAs questioned HUD's failure to apply the computation of administrative fees to March 29—a date many contend is the "mandatory" effective date for FMRs according to law.

Response. The requirement imposed by the United States Housing Act of 1937 is for the Department to establish rents at least annually. There is no statutory duty however, either to tie the administrative fee to the FMR, or to adjust the fee annually or at any other specified interval. March 29th is a date on which one of the early publications appeared in the **Federal Register**, and HUD has used it periodically since then to assist PHAs in determining their administrative fees. However, this year we are faced with some PHAs receiving increases in their administrative fee amounts and other PHAs receiving decreases in their administrative fee amounts. As a matter of equity, we determined not to continue the retroactive application of fees. In its place, we have established a two-phase method of computing fees, explained earlier in this preamble under the heading *Administrative Fees.*

Issue. Some rural PHAs made the point that any decrease in the two-bedroom FMR has a greater impact on rural communities than on larger urban programs.

Response. The Department believes that the mechanism used to establish administrative fees is adequate—for both urban and rural programs. HUD recognizes, however, that there is a point below which a program is too small to be financially viable. In such cases, we only can recommend that the PHA seek the cooperation and perhaps assistance of any county, regional or State program.

Issue. Several commenters made the point that, since reduced FMRs will result in reduced success rates as well as reduced administrative fees, the PHA is being asked to do more work for less money.

Response. The Department does not agree that the success rate will be lower. Again, where FMRs have been lowered, they have been lowered to the 45th percentile, based on *newer* data. There has been no change in the basic criterion that the FMRs be pegged to the 45th percentile rent.

4. Miscellaneous Comments

Issue. Over 50 commenters from areas proposed for reduction requested that HUD continue its consistent past practice of "holding harmless" all jurisdictions designated for a decrease.

Response. HUD does not believe it appropriate to hold rents harmless this year. For the first time, proposed reductions in FMRs were the direct result of using the more current 1980 Census data as a base. (See responses in section one of the Summary of Comments for a more detailed explanation of how the FMRs are developed.) This reason alone is adequate for the Department to determine to discontinue the policy of holding rents harmless. In addition, however, there are concerns regarding cost containment, reducing Federal deficits and specific program budget constraints—all of which must be weighed against competing local concerns.

Issue. Several commenters asserted that HUD was in breach of the spirit as well as the letter of the United States Housing Act of 1937—the letter of the law because we do not establish FMRs every 12 months and the spirit because the proposed FMRs do not support an adequate supply of decent, safe and sanitary housing.

Response. The Department has made diligent attempts to establish a consistent schedule for producing the FMRs. However, it is not always possible to predict the availability of data, or the time required for distributing all public comments to appropriate offices, reproduction and distribution of data to field economists, availability of headquarters staff for necessary clearances, etc. With regard to the second concern—that HUD has proposed rents that will not provide an adequate number of decent, safe and sanitary units—the Department categorically disagrees. The *formula* used to develop FMRs has not changed since 1983. The only change—one that has resulted in lower FMRs in some areas—has been *new*, not previously available 1980 Census data. The Department believes that an adequate number of affordable units, that meet the Department's Housing Quality Standards, will continue to be available.

Other Matters

A Finding of No Significant Impact with respect to the environment required by the National Environmental Policy Act (42 U.S.C. 4321–4374) is unnecessary, since the Section 8 Existing Housing program is

categorically excluded under HUD regulations at 24 CFR 50.20(d).

Under 5 U.S.C. 605(b) (the Regulatory Flexibility Act), the Undersigned hereby certifies that this Notice does not have a significant economic impact on a substantial number of small entities because FMRs reflect the rents for similar quality units in the area. Therefore, FMRs do not change the rent from that which would be charged if the project were not in the Section 8 program.

The Catalog of Federal Domestic Assistance program number is 14.156, Lower-Income Housing Assistance Program (Section 8).

List of Subjects in 24 CFR Part 888

Rent subsidies.

Accordingly, the Fair Market Rent Schedules are amended as follows:

Date: August 25, 1986.

Silvio DeBartolomeis,

General Deputy Assistant Secretary for Housing–Deputy Federal Housing Commissioner.

PART 888—SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM FAIR MARKET RENTS AND CONTRACT RENT AUTOMATIC ANNUAL ADJUSTMENT FACTORS

Fair Market Rents for Existing Housing—Schedules B & D—General Explanatory Notes

1. Geographic Coverage

a. FMRs for Existing Housing (Schedule B) are established for all Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs), nonmetropolitan counties, and county equivalents in the United States, District of Columbia, Puerto Rico, the Virgin Islands, and Guam. FMRs also are established for nonmetropolitan parts of counties in the New England States.

b. FMRs for Manufactured Home spaces in the Section 8 Certificate Program (Schedule D) are established for all MSAs, PMSAs, selected nonmetropolitan counties, and the residual nonmetropolitan portion of each State.

c. The current 337 MSAs and PMSAs are those established by the Office of Management and Budget effective as of June 30, 1985.

2. Arrangement of FMR Areas and Identification of Constituent Parts

a. The FMR areas in Schedules B and D are listed alphabetically by MSA–PMSA and nonmetropolitan county within each State.

b. The constituent counties (and New England towns and cities) included in each MSA and PMSA are listed immediately following the MSA–PMSA names in each State listed in Schedule B. All of the constituent parts of an MSA that are in more than one State can be identified by consulting the listings for each applicable State.

c. Two nonmetropolitan counties are listed alphabetically on each line of the nonmetropolitan county listings.

d. The New England towns and cities included in a nonmetropolitan part of a county are listed immediately following the county name.

e. The FMRs are listed by dollar amount on the first line beginning with the FMR area name.

BILLING CODE 4210-27-M

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: ALABAMA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANNISTON, AL MSA COUNTY(IES): CALHOUN	218	264	311	389	436
BIRMINGHAM, AL MSA COUNTY(IES): BLOUNT, JEFFERSON, ST CLAIR, SHELBY, WALKER	255	310	365	455	510
COLUMBUS, GA-AL MSA COUNTY(IES): RUSSELL	225	270	320	400	450
DOTHAN, AL MSA COUNTY(IES): DALE, HOUSTON	254	308	363	453	508
FLORENCE, AL MSA COUNTY(IES): COLBERT, LAUDERDALE	231	281	332	411	460
GADSDEN, AL MSA COUNTY(IES): ETOWAH	201	245	288	360	403
HUNTSVILLE, AL MSA COUNTY(IES): MADISON	256	311	366	457	512
MOBILE, AL MSA COUNTY(IES): BALDWIN, MOBILE	265	321	378	473	530
MONTGOMERY, AL MSA COUNTY(IES): AUTAUGA, ELMORE, MONTGOMERY	235	286	336	420	471
TUSCALOOSA, AL MSA COUNTY(IES): TUSCALOOSA	246	299	352	440	493

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BARBOUR	185	224	264	330	370
BULLOCK	174	211	249	311	349
CHAMBERS	183	222	261	327	366
CHILTON	179	218	257	321	359
CLARKE	201	245	288	360	403
CLEBURNE	183	222	261	327	366
CONECUH	201	245	288	360	403
COVINGTON	185	224	264	330	370
CULLMAN	223	271	319	399	447
DE KALB	210	255	300	375	421
FAYETTE	179	218	257	321	359
GENEVA	185	224	264	330	370
HALE	179	218	257	321	359
JACKSON	210	255	300	375	421
LAWRENCE	223	271	319	399	447
LIMESTONE	190	231	272	340	381
MACON	194	236	279	344	382
MARION	179	217	255	319	357
MONROE	201	245	288	360	403
PERRY	201	245	288	360	403
PIKE	174	211	249	311	349
SUMTER	201	245	288	360	403
TALLAPOOSA	183	222	261	327	366
WILCOX	201	245	288	360	403

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BIBB	179	218	257	321	359
BUTLER	174	211	249	311	349
CHEROKEE	183	222	261	327	366
CHOCTAW	201	245	288	360	403
CLAY	183	222	261	327	366
COFFEE	185	224	264	330	370
COOSA	183	222	261	327	366
CRENSHAW	174	211	249	311	349
DALLAS	201	245	288	360	403
ESCAMBIA	170	207	243	304	340
FRANKLIN	179	217	255	319	357
GREENE	179	218	257	321	359
HENRY	185	224	264	330	370
LAMAR	179	218	257	321	359
LEE	229	278	327	409	458
LOWNDES	174	211	249	311	349
MARENGO	201	245	288	360	403
MARSHALL	197	240	280	348	388
MORGAN	223	271	319	399	447
PICKENS	179	218	257	321	359
RANDOLPH	183	222	261	327	366
TALLADEGA	183	222	261	327	366
WASHINGTON	201	245	288	360	403
WINSTON	179	217	255	319	357

S T A T E: ALASKA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANCHORAGE, AK MSA COUNTY(IES): ANCHORAGE	448	545	641	801	897

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALEUTIAN I.	532	646	760	950	1064
BRISTOL BAY	532	646	760	950	1064
FAIRBKS-N.ST	438	532	626	783	877
JUNEAU	532	646	760	950	1064
KETCH-GATEWY	532	646	760	950	1064
KODIAK ISLND	532	646	760	950	1064
NOME	532	646	760	950	1064
P.WLS-O.KTCH	532	646	760	950	1064
SKGWY-YKT-AN	532	646	760	950	1064
VALDEZ-CORDO	438	532	626	783	877
WRNGLL-PTRBR	532	646	760	950	1064

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BETHEL	532	646	760	950	1064
DILLINGHAM	532	646	760	950	1064
HAINES	532	646	760	950	1064
KENAI-PENIN	438	532	626	783	877
KOBUK	532	646	760	950	1064
MATANUSKA-SU	438	532	626	783	877
NORTH SLOPE	532	646	760	950	1064
SITKA	532	646	760	950	1064
SE FAIRBANKS	438	532	626	783	877
WADE HAMPTON	532	646	760	950	1064
YKN-KOYKK	532	646	760	950	1064

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: ARIZONA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
PHOENIX, AZ MSA COUNTY(IES): MARICOPA	345	415	490	615	685
TUCSON, AZ MSA COUNTY(IES): PIMA	327	398	468	585	655

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
APACHE	239	290	342	427	478	COCHISE	244	296	348	435	488
COCONINO	303	368	433	541	606	GILA	246	299	352	440	492
GRAHAM	244	296	348	435	488	GREENLEE	244	296	348	435	488
MOHAUE	308	374	440	550	616	NAUAJO	239	290	342	427	478
PINAL	246	299	352	440	492	SANTA CRUZ	244	296	348	435	488
YAVAPAI	303	368	433	541	606	YUMA	308	374	440	550	616

STATE: ARKANSAS	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
FAYETTEVILLE-SPRINGDALE, AR MSA COUNTY(IES): WASHINGTON	238	289	340	425	476
FORT SMITH, AR-OK MSA COUNTY(IES): CRAWFORD, SEBASTIAN	231	281	331	414	463
LITTLE ROCK-NORTH LITTLE ROCK, AR MSA COUNTY(IES): FAULKNER, LONOKE, PULASKI, SALINE	275	334	393	491	550
MEMPHIS, TN-AR-MS MSA COUNTY(IES): CRITTENDEN	245	300	355	440	495
PINE BLUFF, AR MSA COUNTY(IES): JEFFERSON	229	278	328	410	459
TEXARKANA, TX-TEXARKANA, AR MSA COUNTY(IES): MILLER	227	276	325	406	455

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ARKANSAS	194	235	277	346	388	ASHLEY	185	224	264	330	370
BAXTER	220	268	315	394	441	BENTON	229	276	322	396	441
BOONE	220	268	315	394	441	BRADLEY	185	224	264	330	370
CALHOUN	186	229	267	334	372	CARROLL	220	268	315	394	441
CHICOT	185	224	264	330	370	CLARK	203	247	290	363	407
CLAY	206	251	295	369	413	CLEBURNE	216	263	309	386	433
CLEVELAND	191	232	273	341	382	COLUMBIA	186	229	267	334	372
CONWAY	190	231	272	340	380	CRAIGHEAD	242	293	345	431	483
CROSS	195	238	281	347	388	DALLAS	186	229	267	334	372
DESHA	185	224	264	330	370	DREW	185	224	264	330	370
FRANKLIN	172	208	245	306	343	FULTON	216	263	309	386	433
GARLAND	203	247	290	363	407	GRANT	191	232	273	341	382
GREENE	206	251	295	369	413	HEMPSTEAD	189	229	270	338	378
HOTSPRING	203	247	290	363	407	HOWARD	189	229	270	338	378
INDEPENDENCE	216	263	309	386	433	IZARD	216	263	309	386	433
JACKSON	216	263	309	386	433	JOHNSON	190	231	272	340	380
LAFAYETTE	189	229	270	338	378	LAWRENCE	206	251	295	369	413
LEE	195	238	281	347	388	LINCOLN	185	224	264	330	370
LITTLE RIVER	189	229	270	338	378	LOGAN	172	208	245	306	343
MADISON	220	268	315	394	441	MARION	220	268	315	394	441
MISSISSIPPI	224	272	320	400	448	MONROE	167	202	238	298	333
MONTGOMERY	203	247	290	363	407	NEVADA	189	229	270	338	378
NEWTON	220	268	315	394	441	OUACHITA	186	226	265	332	372
PERRY	190	231	272	340	380	PHILLIPS	195	238	281	347	388
PIKE	203	247	290	363	407	POINSETT	206	251	295	369	413
POLK	205	249	293	366	410	POPE	190	231	272	340	380
PRAIRIE	167	202	238	298	333	RANDOLPH	206	251	295	369	413
ST FRANCIS	195	238	281	347	388	SCOTT	172	208	245	306	343
SEARCY	220	268	315	394	441	SEVIER	189	229	270	338	378
SHARP	216	263	309	386	433	STONE	216	263	309	386	433
UNION	186	229	267	334	372	VAN BUREN	216	263	309	386	433
WHITE	216	263	309	386	433	WOODRUFF	216	263	309	386	433
YELL	190	231	272	340	380						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: CALIFORNIA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANAHEIM-SANTA ANA, CA PMSA COUNTY(IES): ORANGE	461	559	658	822	921
BAKERSFIELD, CA MSA COUNTY(IES): KERN	331	402	473	591	662
CHICO, CA MSA COUNTY(IES): BUTTE	290	353	415	519	581
FRESNO, CA MSA COUNTY(IES): FRESNO	302	367	432	540	605
LOS ANGELES-LONG BEACH, CA PMSA COUNTY(IES): LOS ANGELES	410	490	570	730	825
MODESTO, CA MSA COUNTY(IES): STANISLAUS	318	386	455	569	637
OAKLAND, CA PMSA COUNTY(IES): ALAMEDA, CONTRA COSTA	452	549	646	808	904
OXNARD-VENTURA, CA PMSA COUNTY(IES): VENTURA	394	478	562	703	788
REDDING, CA MSA COUNTY(IES): SHASTA	302	367	432	540	605
RIVERSIDE-SAN BERNARDINO, CA PMSA COUNTY(IES): RIVERSIDE, SAN BERNADIN	335	395	460	595	670
SACRAMENTO, CA MSA COUNTY(IES): EL DORADO, PLACER, SACRAMENTO, YOLO	320	380	455	660	700
SALINAS-SEASIDE-MONTEREY, CA MSA COUNTY(IES): MONTEREY	362	440	517	647	725
SAN DIEGO, CA MSA COUNTY(IES): SAN DIEGO	375	460	540	675	755
SAN FRANCISCO, CA PMSA COUNTY(IES): MARIN, SAN FRANCISC, SAN MATEO	495	600	710	885	990
SAN JOSE, CA PMSA COUNTY(IES): SANTA CLARA	486	550	642	837	918
SANTA BARBARA-SANTA MARIA-LOMPOC, CA MSA COUNTY(IES): SANTA BARBAR	409	497	585	732	819
SANTA CRUZ, CA PMSA COUNTY(IES): SANTA CRUZ	443	538	633	791	887
SANTA ROSA-PETALUMA, CA PMSA COUNTY(IES): SONOMA	390	473	557	696	780
STOCKTON, CA MSA COUNTY(IES): SAN JOAQUIN	281	339	399	510	595
VALLEJO-FAIRFIELD-NAPA, CA PMSA COUNTY(IES): NAPA, SOLANO	363	413	486	701	756
VISALIA-TULARE-PORTERVILLE, CA MSA COUNTY(IES): TULARE	282	343	404	584	640
YUBA CITY, CA MSA COUNTY(IES): SUTTER, YUBA	250	304	357	469	526

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALPINE	331	402	473	591	662	AMADOR	331	402	473	591	662
CALAUERAS	331	402	473	591	662	COLUSA	251	305	359	449	503
DEL NORTE	302	367	432	540	605	GLENN	251	305	359	449	503
HUMBOLDT	311	378	445	556	623	IMPERIAL	314	381	448	560	627
INYO	331	402	473	591	662	KINGS	273	332	390	488	547
LAKE	302	367	432	540	605	LASSEN	277	336	395	494	554
MADERA	273	332	390	490	547	MARIPOSA	331	402	473	591	662
MENDOCINO	302	367	466	590	605	MERCED	285	346	407	523	593
MODOC	277	336	395	494	554	MONO	331	402	473	591	662
NEVADA	371	451	530	663	742	PLUMAS	277	336	395	494	554
SAN BENITO	273	332	418	537	602	SAN LUIS OBI	375	455	536	670	750
SIERRA	371	451	530	663	742	SISKIYOU	277	336	395	494	554
TEHAMA	277	336	395	494	554	TRINITY	302	367	432	540	605
TUOLUMNE	331	402	473	591	662						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: COLORADO

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BOULDER-LONGMONT, CO PMSA COUNTY(IES): BOULDER	373	454	534	667	747
COLORADO SPRINGS, CO MSA COUNTY(IES): EL PASO	272	330	389	486	544
DENVER, CO PMSA COUNTY(IES): ADAMS, ARAPAHOE, DENVER, DOUGLAS, JEFFERSON	355	420	495	615	690
FORT COLLINS-LOVELAND, CO MSA COUNTY(IES): LARIMER	313	380	447	559	626
GREELEY, CO MSA COUNTY(IES): WELD	271	329	387	484	542
PUEBLO, CO MSA COUNTY(IES): PUEBLO	270	327	385	482	540

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALAMOSA	270	327	385	482	540	ARCHULETA	270	327	385	482	540
BACA	236	284	330	413	463	BENT	236	284	330	413	463
CHAFFEE	299	363	427	534	598	CHEYENNE	231	281	330	413	463
CLEAR CREEK	299	363	427	534	598	CONEJOS	270	327	385	482	540
COSTILLA	270	327	385	482	540	CROWLEY	236	284	330	413	463
CUSTER	299	363	427	534	598	DELTA	356	432	508	635	712
DELORES	270	327	385	482	540	EAGLE	356	432	508	635	712
ELBERT	231	281	330	413	463	FREMONT	299	363	427	534	598
GARFIELD	339	412	485	606	679	GILPIN	299	363	427	534	598
GRAND	356	432	508	635	712	GUNNISON	356	432	508	635	712
HINSDALE	356	432	508	635	712	HUERFANO	270	327	385	482	540
JACKSON	356	432	508	635	712	KIOWA	236	284	330	413	463
KIT CARSON	231	281	330	413	463	LAKE	299	363	427	534	598
LA PLATA	300	360	425	530	595	LAS ANIMAS	270	327	385	482	540
LINCOLN	236	284	330	413	463	LOGAN	231	281	330	413	463
MESA	339	412	485	606	679	MINERAL	270	327	385	482	540
MOFFAT	339	412	485	606	679	MONTEZUMA	270	327	385	482	540
MONTROSE	356	432	508	635	712	MORGAN	231	281	330	413	463
OTERO	236	284	330	413	463	OURAY	356	432	508	635	712
PARK	299	363	427	534	598	PHILLIPS	231	281	330	413	463
PITKIN	356	432	508	635	712	PROWERS	236	284	330	413	463
RIO BLANCO	339	412	485	606	679	RIO GRANDE	270	327	385	482	540
ROUTT	356	432	508	635	712	SAGUACHE	270	327	385	482	540
SAN JUAN	270	327	385	482	540	SAN MIGUEL	356	432	508	635	712
SEDGWICK	231	281	330	413	463	SUMMIT	356	432	508	635	712
TELLER	299	363	427	534	598	WASHINGTON	231	281	330	413	463
YUMA	231	281	330	413	463						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: CONNECTICUT	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BRIDGEPORT-MILFORD, CT PMSA	357	433	510	637	714
COUNTY: FAIRFIELD TOWNS OF BRIDGEPORT, EASTON, FAIRFIELD, MONROE, SHELTON, STRATFORD, TRUMBULL					
COUNTY: NEW HAVEN TOWNS OF ANSONIA, BEACON FALLS, DERBY, MILFORD, OXFORD, SEYMOUR					
BRISTOL, CT PMSA	304	369	434	543	608
COUNTY: HARTFORD TOWNS OF BRISTOL, BURLINGTON					
COUNTY: LITCHFIELD TOWNS OF PLYMOUTH					
DANBURY, CT PMSA	386	469	552	690	773
COUNTY: FAIRFIELD TOWNS OF BETHEL, BROOKFIELD, DANBURY, NEW FAIRFIEL, NEWTOWN, REDDING, RIDGEFIELD, SHERMAN					
COUNTY: LITCHFIELD TOWNS OF BRIDGEWATER, NEW MILFORD					
HARTFORD, CT PMSA	365	445	520	655	730
COUNTY: HARTFORD TOWNS OF AVON, BLOOMFIELD, CANTON, EAST GRANBY, EAST HARTFOR, EAST WINDSOR, ENFIELD, FARMINGTON GLASTONBURY, GRANBY, HARTFORD, MANCHESTER, MARLBOROUGH, NEWINGTON, ROCKY HILL, SIMSBURY, SOUTH WINDSO SUFFIELD, WEST HARTFOR, WETHERSFIELD, WINDSOR, WINDSOR LOCK					
COUNTY: LITCHFIELD TOWNS OF BARKHAMSTED, NEW HARTFORD					
COUNTY: MIDDLESEX TOWNS OF EAST HADDAM					
COUNTY: NEW LONDON TOWNS OF COLCHESTER					
COUNTY: TOLLAND TOWNS OF ANDOVER, BOLTON, COLUMBIA, COVENTRY, ELLINGTON, HEBRON, SOMERS, STAFFORD, TOLLAND, VERNON WILLINGTON					
MIDDLETOWN, CT PMSA	308	374	440	551	617
COUNTY: MIDDLESEX TOWNS OF CROMWELL, DURHAM, EAST HAMPTON, HADDAM, MIDDLEFIELD, MIDDLETOWN, PORTLAND					
NEW BRITAIN, CT PMSA	315	383	451	564	631
COUNTY: HARTFORD TOWNS OF BERLIN, NEW BRITAIN, PLAINVILLE, SOUTHINGTON					
NEW HAVEN-MERIDEN, CT MSA	336	408	481	601	673
COUNTY: MIDDLESEX TOWNS OF CLINTON, KILLINGWORTH					
COUNTY: NEW HAVEN TOWNS OF BETHANY, BRANFORD, CHESHIRE, EAST HAVEN, GUILFORD, HAMDEN, MADISON, MERIDEN, NEW HAVEN NORTH BRANFO, NORTH HAVEN, ORANGE, WALLINGFORD, WEST HAVEN, WOODBRIDGE					
NEW LONDON-NORWICH, CT-RI MSA	350	425	500	625	700
COUNTY: NEW LONDON TOWNS OF BOZRAH, EAST LYME, FRANKLIN, GRISWOLD, GROTON, LEDYARD, LISBON, MONTVILLE, NEW LONDON NORTH STONIN, NORWICH, OLD LYME, PRESTON, SALEM, SPRAGUE, STONINGTON, WATERFORD					
COUNTY: WINDHAM TOWNS OF CANTERBURY					
NORWALK, CT PMSA	410	499	587	733	821
COUNTY: FAIRFIELD TOWNS OF NORWALK, WESTON, WESTPORT, WILTON					
STAMFORD, CT PMSA	429	522	614	767	859
COUNTY: FAIRFIELD TOWNS OF DARIEN, GREENWICH, NEW CANAAN, STAMFORD					
WATERBURY, CT MSA	304	369	434	543	608
COUNTY: LITCHFIELD TOWNS OF BETHLEHEM, THOMASTON, WATERTOWN, WOODBURY					
COUNTY: NEW HAVEN TOWNS OF MIDDLEBURY, NAUGATUCK, PROSPECT, SOUTHBURY, WATERBURY, WOLCOTT					

NONMETROPOLITAN COUNTIES OR PARTS OF COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
HARTFORD COUNTY TOWNS OF HARTLAND	304	369	434	543	608
LITCHFIELD COUNTY TOWNS OF CANAAN, COLEBROOK, CORNWALL, GOSHEN HARWINTON, KENT, LITCHFIELD, MORRIS, NORFOLK, NORTH CANAAN, ROXBURY, SALISBURY, SHARON, TORRINGTON, WARREN WASHINGTON, WINCHESTER	336	408	480	600	672
MIDDLESEX COUNTY TOWNS OF CHESTER, DEEP RIVER, ESSEX, OLD SAYBROOK WESTBROOK	376	456	537	671	752
NEW LONDON COUNTY TOWNS OF LEBANON, LYME, VOLUNTOWN	270	328	386	483	541
TOLLAND COUNTY TOWNS OF MANSFIELD, UNION	364	442	520	650	729
WINDHAM COUNTY TOWNS OF ASHFORD, BROOKLYN, CHAPLIN, EASTFORD, HAMPTON KILLINGLY, PLAINFIELD, POMFRET, PUTNAM, SCOTLAND, STERLING, THOMPSON, WINDHAM, WOODSTOCK	322	391	460	575	645

S T A T E: DELAWARE	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
WILMINGTON, DE-NJ-MD PMSA	304	367	432	540	605
COUNTY(IES): NEW CASTLE					

NONMETROPOLITAN COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
KENT	256	311	366	462	512
SUSSEX	256	311	366	462	512

S T A T E: DIST. OF COLUMBIA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
WASHINGTON, DC-MD-VA MSA	370	450	530	665	745
COUNTY(IES): WASHINGTON					

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: FLORIDA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BRADENTON, FL MSA COUNTY(IES): MANATEE	317	385	454	567	635
DAYTONA BEACH, FL MSA COUNTY(IES): VOLUSIA	307	372	438	548	614
FORT LAUDERDALE-HOLLYWOOD-POMPANO BEACH, FL PMSA COUNTY(IES): BROWARD	365	443	521	651	729
FORT MYERS-CAPE CORAL, FL MSA COUNTY(IES): LEE	326	396	466	583	653
FORT PIERCE, FL MSA COUNTY(IES): MARTIN, ST LUCIE	326	396	466	583	653
FORT WALTON BEACH, FL MSA COUNTY(IES): OKALOOSA	218	265	311	389	436
GAINESVILLE, FL MSA COUNTY(IES): ALACHUA, BRADFORD	276	336	395	494	553
JACKSONVILLE, FL MSA COUNTY(IES): CLAY, DUVAL, NASSAU, ST JOHNS	289	351	413	517	579
LAKELAND-WINTER HAVEN, FL MSA COUNTY(IES): POLK	261	317	373	467	523
MELBOURNE-TITUSVILLE-PALM BAY, FL MSA COUNTY(IES): BREVARD	299	358	421	527	590
MIAMI-HIALEAH, FL PMSA COUNTY(IES): DADE	372	445	520	655	730
NAPLES, FL MSA COUNTY(IES): COLLIER	335	406	478	598	670
OCALA, FL MSA COUNTY(IES): MARION	241	294	344	430	482
ORLANDO, FL MSA COUNTY(IES): ORANGE, OSCEOLA, SEMINOLE	319	388	456	555	620
PANAMA CITY, FL MSA COUNTY(IES): BAY	232	282	332	415	464
PENSACOLA, FL MSA COUNTY(IES): ESCAMBIA, SANTA ROSA	259	315	370	463	518
SARASOTA, FL MSA COUNTY(IES): SARASOTA	343	417	491	613	687
TALLAHASSEE, FL MSA COUNTY(IES): GADSDEN, LEON	272	330	389	486	544
TAMPA-ST. PETERSBURG-CLEARWATER, FL MSA COUNTY(IES): HERNANDO, HILLSBOROUGH, PASCO, PINELLAS	286	347	409	511	573
WEST PALM BEACH-BOCA RATON-DELRAY BEACH, FL MSA COUNTY(IES): PALM BEACH	333	398	463	565	623

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BAKER	210	255	300	375	420	CALHOUN	178	216	254	318	356
CHARLOTTE	315	383	451	563	631	CITRUS	241	292	344	430	482
COLUMBIA	194	236	278	347	389	DE SOTO	227	275	324	405	454
DIXIE	194	236	278	347	389	FLAGLER	243	295	347	434	486
FRANKLIN	178	216	254	318	356	GILCHRIST	194	236	278	347	389
GLADES	315	383	451	563	631	GULF	178	216	254	318	356
HAMILTON	194	236	278	347	389	HARDEE	227	275	324	405	454
HENDRY	315	383	451	563	631	HIGHLANDS	227	275	324	405	454
HOLMES	178	216	254	318	356	INDIAN RIVER	326	396	466	583	653
JACKSON	186	225	265	331	371	JEFFERSON	178	216	254	318	356
LAFAYETTE	194	236	278	347	389	LAKE	254	308	362	453	508
LEVY	241	294	344	430	482	LIBERTY	178	216	254	318	356
MADISON	194	236	278	347	389	MONROE	370	448	593	709	770
OKEECHOBEE	227	275	324	405	454	PUTNAM	243	295	347	434	486
SUMTER	241	292	344	430	482	SUWANNEE	194	236	278	347	389
TAYLOR	194	236	278	347	389	UNION	194	236	278	347	389
WAKULLA	178	216	254	318	356	WALTON	242	294	346	433	484
WASHINGTON	178	216	254	318	356						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
STATE: GEORGIA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALBANY, GA MSA					
COUNTY(IES): DOUGHERTY, LEE	241	292	344	430	482
ATHENS, GA MSA					
COUNTY(IES): CLARKE, JACKSON, MADISON, OCONEE	249	303	357	446	499
ATLANTA, GA MSA					
COUNTY(IES): BARROW, BUTTS, CHEROKEE, CLAYTON, COBB, COWETA, DE KALB, DOUGLAS, FAYETTE, FORSYTH, FULTON, GWINNETT, HENRY NEWTON, PAULDING, ROCKDALE, SPALDING, WALTON	310	375	440	550	615
AUGUSTA, GA-SC MSA					
COUNTY(IES): COLUMBIA, MCDUFFIE, RICHMOND	254	305	357	446	499
CHATTANOOGA, TN-GA MSA					
COUNTY(IES): CATOOSA, DADE, WALKER	270	328	386	483	541
COLUMBUS, GA-AL MSA					
COUNTY(IES): CHATTAHOOCHE, COLUMBUS	225	270	320	400	450
MACON-WARNER ROBINS, GA MSA					
COUNTY(IES): BIBB, HOUSTON, JONES, PEACH	250	305	360	450	500
SAVANNAH, GA MSA					
COUNTY(IES): CHATHAM, EFFINGHAM	254	308	363	454	508

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
APPLING	208	253	298	372	417	ATKINSON	195	237	279	349	391
BACON	195	237	279	349	391	BAKER	203	247	287	359	402
BALDWIN	198	241	284	355	397	BANKS	187	228	268	335	375
BARTON	211	257	302	378	423	BEN HILL	206	250	294	368	412
BERRIEN	206	250	294	368	412	BLECKLEY	203	247	287	359	397
BRANTLEY	195	237	279	349	391	BROOKS	206	250	294	368	412
BRYAN	240	279	329	411	460	BULLOCH	208	253	298	372	417
BURKE	199	242	285	357	399	CALHOUN	203	247	287	359	402
CAMDEN	230	279	329	411	460	CANDLER	208	253	298	372	417
CARROLL	240	290	340	425	475	CHARLTON	203	246	287	354	391
CHATTOOGA	211	257	302	378	423	CLAY	203	247	287	359	402
CLINCH	195	237	279	349	391	COFFEE	195	237	279	349	391
COLQUITT	201	244	287	358	402	COOK	206	250	294	368	412
CRAWFORD	169	205	241	301	337	CRISP	201	244	287	358	402
DAWSON	190	234	272	338	375	DECATUR	203	247	287	359	402
DODGE	203	247	287	359	397	DOOLY	203	247	287	359	402
EARLY	203	247	287	359	402	ECHOLS	206	250	294	368	412
ELBERT	192	233	274	343	384	EMANUEL	199	242	285	357	399
EVANS	208	253	298	372	417	FANNIN	226	274	322	403	452
FLOYD	211	257	302	378	423	FRANKLIN	187	228	268	335	375
GILMER	226	274	322	403	452	GLASCOCK	199	242	285	357	399
GLYNN	230	279	329	411	460	GORDON	211	257	302	378	423
GRADY	203	247	287	359	402	GREENE	190	230	271	339	379
HABERSHAM	210	255	300	375	420	HALL	270	325	385	480	540
HANCOCK	203	247	287	359	397	HARALSON	211	257	302	378	423
HARRIS	205	250	290	360	402	HART	187	228	268	335	375
HEARD	223	271	319	399	447	IRWIN	206	250	294	368	412
JASPER	203	247	287	359	397	JEFF DAVIS	208	253	298	372	417
JEFFERSON	199	242	285	357	399	JENKINS	199	242	285	357	399
JOHNSON	203	247	287	359	397	LAMAR	186	226	266	333	372
LANIER	206	250	294	368	412	LAURENS	198	241	284	355	397
LIBERTY	230	279	329	411	460	LINCOLN	199	242	285	357	399
LONG	230	279	329	411	460	LOWNDES	206	250	294	368	412
LUMPKIN	190	234	272	338	375	MCINTOSH	230	279	329	411	460
MACON	203	247	287	359	402	MARION	205	250	290	360	402
MERIWETHER	223	271	319	399	447	MILLER	203	247	287	359	402
MITCHELL	203	247	287	359	402	MONROE	169	205	241	301	337
MONTGOMERY	205	251	294	362	402	MORGAN	190	230	271	339	379
MURRAY	226	274	322	403	452	OGLETHORPE	190	230	271	339	379
PICKENS	226	274	322	403	452	PIERCE	195	237	279	349	391
PIKE	186	226	266	333	372	POLK	211	259	302	378	423
PULASKI	203	247	287	359	397	PUTNAM	203	247	287	359	397
QUITMAN	201	244	287	358	402	RABUN	190	234	272	338	375
RANDOLPH	203	247	287	359	402	SCHLEY	205	250	290	360	402
SCREVEN	205	251	294	362	402	SEMINOLE	203	247	287	359	402
STEPHENS	220	270	315	395	440	STEWART	205	250	290	360	402
SUMTER	225	275	325	405	455	TALBOT	201	244	287	358	402
TALIAFERRO	199	242	285	357	399	TATTNALL	208	253	298	372	417
TAYLOR	203	247	287	359	402	TELFAIR	203	247	287	359	397
TERRELL	203	247	287	359	402	THOMAS	235	285	335	420	470
TIFT	206	250	294	368	412	TOOMBS	208	253	298	372	417
TOWNS	190	234	272	338	375	TREUTLEN	203	247	287	359	397
TROUP	228	275	323	402	448	TURNER	206	250	294	368	412
TWIGGS	169	205	241	301	337	UNION	190	234	272	338	375
UPSON	186	226	266	333	372	WARE	195	237	279	349	391
WARREN	199	242	285	357	399	WASHINGTON	203	247	287	359	397

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
STATE: GEORGIA

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
WAYNE	208	253	298	372	417	WEBSTER	205	250	290	360	402
WHEELER	203	247	287	359	397	WHITE	190	234	272	338	375
WHITFIELD	226	274	322	403	452	WILCOX	203	247	287	359	397
WILKES	199	242	285	357	399	WILKINSON	203	247	287	359	397
WORTH	203	247	287	359	402						

S T A T E: HAWAII

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
HONOLULU, HI MSA					
COUNTY(IES): HONOLULU	395	480	565	710	795

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
HAWAII	380	461	542	678	760	KAUAI	380	461	542	678	760
MAUI	380	461	542	678	760						

S T A T E: IDAHO

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BOISE CITY, ID MSA					
COUNTY(IES): ADA	317	385	453	566	634

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	247	300	353	441	494	BANNOCK	258	314	366	458	513
BEAR LAKE	256	311	366	458	513	BENEWAH	256	311	366	458	513
BINGHAM	258	314	366	458	513	BLAINE	262	318	375	468	525
BOISE	247	300	353	441	494	BONNER	256	311	366	458	513
BONNEVILLE	276	335	395	493	553	BOUNDARY	256	311	366	458	513
BUTTE	276	335	395	493	553	CAMAS	262	318	375	468	525
CANYON	247	300	353	441	494	CARIBOU	258	314	366	458	513
CASSIA	262	318	375	468	525	CLARK	276	335	395	493	553
CLEARWATER	256	311	366	458	513	CUSTER	276	335	395	493	553
ELMORE	247	300	353	441	494	FRANKLIN	256	311	366	458	513
FREMONT	276	335	395	493	553	GEM	247	300	353	441	494
GOODING	262	318	375	468	525	IDAHO	256	311	366	458	513
JEFFERSON	276	335	395	493	553	JEROME	262	318	375	468	525
KOOTENAI	256	311	366	458	513	LATAH	256	311	366	458	513
LEMHI	276	335	395	493	553	LEWIS	256	311	366	458	513
LINCOLN	262	318	375	468	525	MADISON	276	335	395	493	553
MINIDOKA	262	318	375	468	525	NEZ PERCE	256	311	366	458	513
ONEIDA	256	311	366	458	513	OWYHEE	247	300	353	441	494
PAYETTE	247	300	353	441	494	POWER	258	314	366	458	513
SHOSHONE	256	311	366	458	513	TETON	276	335	395	493	553
TWIN FALLS	262	318	375	468	525	VALLEY	247	300	353	441	494
WASHINGTON	247	300	353	441	494						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
S T A T E: ILLINOIS

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
AURORA-ELGIN, IL PMSA					
COUNTY(IES): KANE, KENDALL	365	445	525	655	735
BLOOMINGTON-NORMAL, IL MSA					
COUNTY(IES): MCLEAN	279	339	399	499	559
CHAMPAIGN-URBANA-RANTOUL, IL MSA					
COUNTY(IES): CHAMPAIGN	272	330	389	486	544
CHICAGO, IL PMSA					
COUNTY(IES): COOK, DU PAGE, MCHENRY	355	435	510	640	715
DAVENPORT-ROCK ISLAND-MOLINE, IA-IL MSA					
COUNTY(IES): HENRY, ROCK ISLAND	299	363	427	534	598
DECATUR, IL MSA					
COUNTY(IES): MACON	272	330	389	486	544
JOLIET, IL PMSA					
COUNTY(IES): GRUNDY, WILL	365	445	525	655	735
KANKAKEE, IL MSA					
COUNTY(IES): KANKAKEE	269	326	384	480	538
LAKE COUNTY, IL PMSA					
COUNTY(IES): LAKE	375	455	535	670	750
PEORIA, IL MSA					
COUNTY(IES): PEORIA, TAZEWELL, WOODFORD	314	382	449	562	629
ROCKFORD, IL MSA					
COUNTY(IES): BOONE, WINNEBAGO	285	347	408	510	571
ST. LOUIS, MO-IL MSA					
COUNTY(IES): CLINTON, JERSEY, MADISON, MONROE, ST CLAIR	275	335	395	495	555
SPRINGFIELD, IL MSA					
COUNTY(IES): MENARD, SANGAMON	286	348	409	512	573

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	213	258	304	380	426
BOND	234	285	335	419	469
BUREAU	259	315	371	464	519
CARROLL	241	292	344	430	482
CHRISTIAN	246	299	351	439	492
CLAY	220	267	314	393	440
CRANFORD	220	267	314	393	440
DE KALB	280	340	400	501	561
DOUGLAS	234	285	335	419	469
EDWARDS	213	258	304	380	426
FAYETTE	220	267	314	393	440
FRANKLIN	249	302	356	445	498
GALLATIN	197	239	282	352	394
HAMILTON	213	258	304	380	426
HARDIN	197	239	282	352	394
IROQUOIS	244	296	348	436	488
JASPER	220	267	314	393	440
JO DAVIESS	241	292	344	430	482
KNOX	252	306	360	451	505
LAWRENCE	220	267	314	393	440
LIVINGSTON	244	296	348	436	488
MCDONOUGH	234	284	332	412	457
MARION	220	267	314	393	440
MASON	244	293	346	427	476
MERCER	228	277	326	408	457
MORGAN	244	293	346	427	476
OGLE	241	292	344	430	482
PIATT	234	285	335	419	469
POPE	197	239	282	352	394
PUTNAM	259	315	371	464	519
RICHLAND	220	267	314	393	440
SCHUYLER	213	258	304	380	426
SHELBY	246	299	351	439	492
STEPHENSON	241	292	344	430	482
VERMILION	244	296	348	436	488
WARREN	234	284	332	412	457
WAYNE	213	258	304	380	426
WHITESIDE	294	357	420	525	588

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALEXANDER	197	239	282	352	394
BROWN	213	258	304	380	426
CALHOUN	238	289	340	425	476
CASS	244	293	346	427	476
CLARK	234	285	335	419	469
COLES	234	285	335	419	469
CUMBERLAND	234	285	335	419	469
DE WITT	234	285	335	419	469
EDGAR	234	285	335	419	469
EFFINGHAM	220	267	314	393	440
FORD	244	296	348	436	488
FULTON	259	315	371	464	519
GREENE	238	289	340	425	476
HANCOCK	228	277	326	408	457
HENDERSON	228	277	326	408	457
JACKSON	249	302	356	445	498
JEFFERSON	240	290	345	430	480
JOHNSON	197	239	282	352	394
LA SALLE	294	357	420	525	588
LEE	294	357	420	525	588
LOGAN	244	293	346	427	476
MACOUPIN	246	299	351	439	492
MARSHALL	259	315	371	464	519
MASSAC	197	239	282	352	394
MONTGOMERY	246	299	351	439	492
MOULTRIE	246	299	351	439	492
PERRY	234	285	335	419	469
PIKE	213	258	304	380	426
PULASKI	197	239	282	352	394
RANDOLPH	234	285	335	419	469
SALINE	197	239	282	352	394
SCOTT	244	293	346	427	476
STARK	259	315	371	464	519
UNION	197	239	282	352	394
WABASH	213	258	304	380	426
WASHINGTON	234	285	335	419	469
WHITE	213	258	304	380	426
WILLIAMSON	249	302	356	445	498

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: INDIANA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANDERSON, IN MSA	235	286	336	420	471
COUNTY(IES): MADISON					
BLOOMINGTON, IN MSA	254	308	363	454	508
COUNTY(IES): MONROE					
CINCINNATI, OH-KY-IN PMSA	250	305	360	450	500
COUNTY(IES): DEARBORN					
ELKHART-GOSHEN, IN MSA	248	301	354	443	496
COUNTY(IES): ELKHART					
EVANSVILLE, IN-KY MSA	262	310	364	456	510
COUNTY(IES): POSEY, VANDERBURGH, WARRICK					
FORT WAYNE, IN MSA	262	314	367	460	510
COUNTY(IES): ALLEN, DE KALB, WHITLEY					
GARY-HAMMOND, IN PMSA	293	355	418	523	586
COUNTY(IES): LAKE, PORTER					
INDIANAPOLIS, IN MSA	255	310	365	455	510
COUNTY(IES): BOONE, HAMILTON, HANCOCK, HENDRICKS, JOHNSON, MARION, MORGAN, SHELBY					
KOKOMO, IN MSA	259	315	370	463	519
COUNTY(IES): HOWARD, TIPTON					
LAFAYETTE-WEST LAFAYETTE, IN MSA	274	333	391	489	548
COUNTY(IES): TIPPECANOE					
LOUISVILLE, KY-IN MSA	240	291	340	425	475
COUNTY(IES): CLARK, FLOYD, HARRISON					
MUNCIE, IN MSA	226	272	319	396	443
COUNTY(IES): DELAWARE					
SOUTH BEND-MISHAWAKA, IN MSA	256	309	361	448	498
COUNTY(IES): ST JOSEPH					
TERRE HAUTE, IN MSA	232	282	330	409	454
COUNTY(IES): CLAY, VIGO					

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	231	279	326	407	456	BARTHOLOMEW	261	317	373	467	523
BENTON	221	269	317	396	443	BLACKFORD	209	254	299	373	418
BROWN	261	317	373	467	523	CARROLL	221	269	317	396	443
CASS	214	260	306	383	429	CLINTON	221	269	317	396	443
CRAWFORD	191	232	273	342	383	DAVIESS	215	261	308	385	431
DECATUR	261	317	373	467	523	DUBOIS	191	232	273	342	383
FAYETTE	225	271	317	396	443	FOUNTAIN	221	269	317	396	443
FRANKLIN	225	271	317	396	443	FULTON	214	260	306	383	429
GIBSON	248	301	354	443	496	GRANT	209	254	299	373	418
GREENE	215	261	308	385	431	HENRY	209	254	299	373	418
HUNTINGTON	228	277	326	407	456	JACKSON	261	317	373	467	523
JASPER	231	280	330	413	462	JAY	209	254	299	373	418
JEFFERSON	248	301	354	443	496	JENNINGS	261	317	373	467	523
KNOX	221	265	308	385	431	KOSCIUSKO	237	286	337	415	462
LAGRANGE	237	287	338	422	473	LA PORTE	251	305	358	448	502
LAWRENCE	240	292	343	429	480	MARSHALL	231	280	330	413	462
MARTIN	215	261	308	385	431	MIAMI	214	260	306	383	429
MONTGOMERY	221	269	317	396	443	NEWTON	231	280	330	413	462
NOBLE	236	287	338	422	473	OHIO	248	301	354	443	496
ORANGE	191	232	273	342	383	OWEN	253	307	361	452	506
PARKE	221	269	317	396	443	PERRY	191	232	273	342	383
PIKE	248	301	354	443	496	PULASKI	231	280	330	413	462
PUTNAM	229	278	327	409	458	RANDOLPH	209	254	299	373	418
RIPLEY	248	301	354	443	496	RUSH	221	269	317	396	443
SCOTT	237	288	339	424	475	SPENCER	191	232	273	342	383
STARKE	231	280	330	413	462	STEUBEN	236	287	338	422	473
SULLIVAN	221	269	317	396	443	SWITZERLAND	248	301	354	443	496
UNION	225	271	317	396	443	VERMILLION	229	277	324	403	446
WABASH	214	260	306	383	429	WARREN	221	269	317	396	443
WASHINGTON	256	311	366	458	513	WAYNE	226	272	319	396	443
WELLS	233	280	327	409	456	WHITE	221	269	317	396	443

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
S T A T E: IOWA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CEDAR RAPIDS, IA MSA COUNTY(IES): LINN	291	353	415	519	582
DAVENPORT-ROCK ISLAND-MOLINE, IA-IL MSA COUNTY(IES): SCOTT	299	363	427	534	598
DES MOINES, IA MSA COUNTY(IES): DALLAS, POLK, WARREN	290	352	414	518	580
DUBUQUE, IA MSA COUNTY(IES): DUBUQUE	269	326	384	480	538
IOWA CITY, IA MSA COUNTY(IES): JOHNSON	305	371	436	546	611
OMAHA, NE-IA MSA COUNTY(IES): POTTAWATTAMI	265	321	378	473	530
SIOUX CITY, IA-NE MSA COUNTY(IES): WOODBURY	262	319	375	469	525
WATERLOO-CEDAR FALLS, IA MSA COUNTY(IES): BLACK HAWK, BREMER	292	354	417	521	584

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAIR	221	268	316	395	442	ADAMS	221	268	316	395	442
ALLAMAKEE	233	283	333	417	467	APPANOOSE	221	268	316	395	442
AUDUBON	234	285	335	419	469	BENTON	228	277	326	408	456
BOONE	266	323	380	475	532	BUCHANAN	233	283	333	417	467
BUENA VISTA	229	278	327	409	459	BUTLER	233	283	333	417	467
CALHOUN	234	285	335	419	469	CARROLL	234	285	335	419	469
CASS	240	291	342	428	480	CEDAR	260	316	372	465	521
CERRO GORDO	231	281	330	413	463	CHEROKEE	234	285	335	419	469
CHICKASAW	233	283	333	417	467	CLARKE	221	268	316	395	442
CLAY	229	278	327	409	459	CLAYTON	233	283	333	417	467
CLINTON	260	316	372	465	521	CRAWFORD	234	285	335	419	469
DAVIS	221	268	316	395	442	DECATUR	221	268	316	395	442
DELAWARE	260	316	372	465	521	DES MOINES	245	297	350	437	490
DICKINSON	229	278	327	409	459	EMMET	229	278	327	409	459
FAYETTE	233	283	333	417	467	FLOYD	231	281	330	413	463
FRANKLIN	231	281	330	413	463	FREMONT	240	291	342	428	480
GREENE	234	285	335	419	469	GRUNDY	233	283	333	417	467
GUTHRIE	234	285	335	419	469	HAMILTON	234	285	335	419	469
HANCOCK	231	281	330	413	463	HARDIN	243	295	347	434	486
HARRISON	240	291	342	428	480	HENRY	245	297	350	437	490
HOWARD	233	283	333	417	467	HUMBOLDT	234	285	335	419	469
IDA	234	285	335	419	469	IOWA	228	277	326	408	456
JACKSON	260	316	372	465	521	JASPER	247	300	353	441	494
JEFFERSON	244	296	348	435	487	JONES	228	277	326	408	456
KEOKUK	229	278	327	409	458	KOSSUTH	231	281	330	413	463
LEE	245	297	350	437	490	LOUISA	245	297	350	437	490
LUCAS	221	268	316	395	442	LYON	229	278	327	409	459
MADISON	247	300	353	441	494	MAHASKA	221	268	316	395	442
MARION	247	300	353	441	494	MARSHALL	243	295	347	434	486
MILLS	240	291	342	428	480	MITCHELL	231	281	330	413	463
MONONA	234	285	335	419	469	MONROE	221	268	316	395	442
MONTGOMERY	240	291	342	428	480	MUSCATINE	245	297	350	437	490
O BRIEN	229	278	327	409	459	OSCEOLA	229	278	327	409	459
PAGE	240	291	342	428	480	PALO ALTO	229	278	327	409	459
PLYMOUTH	234	285	335	419	469	POCAHONTAS	234	285	335	419	469
POWESHIEK	243	295	347	434	486	RINGGOLD	221	268	316	395	442
SAC	234	285	335	419	469	SHELBY	240	291	342	428	480
SIOUX	229	278	327	409	459	STORY	266	323	380	475	532
TAMA	243	295	347	434	486	TAYLOR	221	268	316	395	442
UNION	221	268	316	395	442	VAN BUREN	221	268	316	395	442
WAPELLO	260	315	371	464	519	WASHINGTON	228	277	326	408	456
WAYNE	221	268	316	395	442	WEBSTER	234	285	335	419	469
WINNEBAGO	231	281	330	413	463	WINNESHIEK	233	283	333	417	467
WORTH	231	281	330	413	463	WRIGHT	234	285	335	419	469

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
S T A T E: KANSAS

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
KANSAS CITY, MO-KS MSA COUNTY(IES): JOHNSON, LEAVENWORTH, MIAMI, WYANDOTTE	280	340	400	500	560
LAWRENCE, KS MSA COUNTY(IES): DOUGLAS	292	354	417	521	584
TOPEKA, KS MSA COUNTY(IES): SHAWNEE	265	322	378	473	530
WICHITA, KS MSA COUNTY(IES): BUTLER, SEDGWICK	285	345	410	510	570

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALLEN	185	224	264	330	370
ATCHISON	213	258	304	380	426
BARTON	214	260	306	382	428
BROWN	213	258	304	380	426
CHAUTAUQUA	185	224	264	330	370
CHEYENNE	187	227	267	334	374
CLAY	233	284	334	417	467
COFFEY	233	284	334	417	467
COWLEY	185	224	264	330	370
DECATUR	187	227	267	334	374
DONIPHAN	213	258	304	380	426
ELK	185	224	264	330	370
ELLSWORTH	231	281	331	414	463
FORD	220	267	314	393	440
GEARY	233	284	334	417	467
GRAHAM	187	227	267	334	374
GRAY	220	267	314	393	440
GREENWOOD	233	284	334	417	467
HARPER	214	260	306	382	428
HASKELL	220	267	314	393	440
JACKSON	213	258	304	380	426
JEWELL	231	281	331	414	463
KINGMAN	214	260	306	382	428
LABETTE	196	238	280	350	393
LINCOLN	231	281	331	414	463
LOGAN	187	227	267	334	374
MCPHERSON	246	299	352	440	492
MARSHALL	233	284	334	417	467
MITCHELL	231	281	331	414	463
MORRIS	233	284	334	417	467
NEMAHA	213	258	304	380	426
NESS	220	267	314	393	440
OSAGE	202	246	289	361	405
OTTAWA	231	281	331	414	463
PHILLIPS	187	227	267	334	374
PRATT	214	260	306	382	428
RENO	246	299	352	440	492
RICE	246	299	352	440	492
ROOKS	187	227	267	334	374
RUSSELL	187	227	267	334	374
SCOTT	220	267	314	393	440
SHERIDAN	187	227	267	334	374
SMITH	187	227	267	334	374
STANTON	220	267	314	393	440
SUMNER	214	260	306	382	428
TREGO	187	227	267	334	374
WALLACE	187	227	267	334	374
WICHITA	220	267	314	393	440
WOODSON	185	224	264	330	370
ANDERSON	185	224	264	330	370
BARBER	214	260	306	382	428
BOURBON	185	224	264	330	370
CHASE	233	284	334	417	467
CHEROKEE	196	238	280	350	393
CLARK	220	267	314	393	440
CLOUD	231	281	331	414	463
COMANCHE	214	260	306	382	428
CRAWFORD	196	238	280	350	393
DICKINSON	233	284	334	417	467
EDWARDS	214	260	306	382	428
ELLIS	187	227	267	334	374
FINNEY	220	267	314	393	440
FRANKLIN	202	245	288	360	403
GOVE	187	227	267	334	374
GRANT	220	267	314	393	440
GREELEY	220	267	314	393	440
HAMILTON	220	267	314	393	440
HARVEY	246	299	352	440	492
HODGEMAN	220	267	314	393	440
JEFFERSON	202	246	289	361	405
KEARNY	220	267	314	393	440
KIOWA	214	260	306	382	428
LANE	220	267	314	393	440
LINN	185	224	264	330	370
LYON	233	284	334	417	467
MARION	233	284	334	417	467
MEADE	220	267	314	393	440
MONTGOMERY	196	238	280	350	393
MORTON	220	267	314	393	440
NEOSHO	196	238	280	350	393
NORTON	187	227	267	334	374
OSBORNE	187	227	267	334	374
PAWNEE	214	260	306	382	428
POTTAWATOMIE	233	284	334	417	467
RAWLINS	187	227	267	334	374
REPUBLIC	231	281	331	414	463
RILEY	233	284	334	417	467
RUSH	214	260	306	382	428
SALINE	231	281	331	414	463
SEWARD	220	267	314	393	440
SHERMAN	187	227	267	334	374
STAFFORD	214	260	306	382	428
STEVENS	220	267	314	393	440
THOMAS	187	227	267	334	374
WABAUNSEE	233	284	334	417	467
WASHINGTON	231	281	331	414	463
WILSON	185	224	264	330	370

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: KENTUCKY

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CINCINNATI, OH-KY-IN PMSA					
COUNTY(IES): BOONE, CAMPBELL, KENTON	250	305	360	450	500
CLARKSVILLE-HOPKINSVILLE, TN-KY MSA					
COUNTY(IES): CHRISTIAN	250	305	360	450	500
EVANSVILLE, IN-KY MSA					
COUNTY(IES): HENDERSON	262	310	364	456	510
HUNTINGTON-ASHLAND, WV-KY-OH MSA					
COUNTY(IES): BOYD, CARTER, GREENUP	266	323	380	475	533
LEXINGTON-FAYETTE, KY MSA					
COUNTY(IES): BOURBON, CLARK, FAYETTE, JESSAMINE, SCOTT, WOODFORD	280	340	400	501	561
LOUISVILLE, KY-IN MSA					
COUNTY(IES): BULLITT, JEFFERSON, OLDHAM, SHELBY	240	291	340	425	475
OWENSBORO, KY MSA					
COUNTY(IES): DAVIESS	258	314	369	462	517

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAIR	206	251	293	361	404	ALLEN	174	211	248	310	348
ANDERSON	257	313	368	460	515	BALLARD	211	256	301	376	422
BARREN	220	267	314	392	440	BATH	206	250	295	369	413
BELL	224	272	320	400	448	BOYLE	250	303	357	446	500
BRACKEN	206	250	295	369	413	BREATHITT	212	257	303	378	424
BRECKINRIDGE	203	247	290	363	406	BUTLER	174	211	248	310	348
CALDWELL	221	269	317	396	443	CALLOWAY	211	256	301	376	422
CARLISLE	211	256	301	376	422	CARROLL	212	258	303	379	424
CASEY	202	245	289	361	404	CLAY	190	231	271	339	380
CLINTON	206	251	293	361	404	CRITTENDON	221	269	317	396	443
CUMBERLAND	206	251	293	361	404	EDMONSON	174	211	248	310	348
ELLIOTT	190	231	272	340	381	ESTILL	250	303	357	446	500
FLEMING	206	250	295	369	413	FLOYD	225	273	321	402	450
FRANKLIN	257	313	368	460	515	FULTON	211	256	301	376	422
GALLATIN	212	258	303	379	424	GARRARD	250	303	357	446	500
GRANT	212	258	303	379	424	GRAVES	211	256	301	376	422
GRAYSON	203	247	290	363	406	GREEN	206	251	293	361	404
HANCOCK	214	260	306	383	428	HARDIN	230	280	329	411	461
HARLAN	224	272	320	400	448	HARRISON	187	227	267	334	374
HART	174	211	248	310	348	HENRY	189	230	270	338	378
HICKMAN	211	256	301	376	422	HOPKINS	221	269	317	396	443
JACKSON	190	231	271	339	380	JOHNSON	225	273	321	402	450
KNOTT	212	257	303	378	424	KNOX	196	238	280	364	392
LARUE	203	247	290	363	406	LAUREL	190	231	271	339	380
LAWRENCE	190	231	272	340	381	LEE	212	257	303	378	424
LESLIE	212	257	303	378	424	LETCHER	212	257	303	378	424
LEWIS	206	250	295	369	413	LINCOLN	250	303	357	446	500
LIVINGSTON	191	232	273	341	382	LOGAN	222	270	318	398	445
LYON	191	232	273	341	382	MCCRACKEN	221	259	305	376	422
MCCREARY	206	251	293	361	404	MCLEAN	214	260	306	383	428
MADISON	250	303	360	446	500	MAGOFFIN	225	273	321	402	450
MARION	203	247	290	363	406	MARSHALL	221	259	305	376	422
MARTIN	225	273	321	402	450	MASON	206	250	295	369	413
MEADE	230	280	329	411	461	MENIFEE	206	251	295	369	413
MERCER	257	313	368	460	515	METCALFE	174	211	248	310	348
MONROE	174	211	248	310	348	MONTGOMERY	206	250	295	369	413
MORGAN	206	251	295	369	413	MUHLENBERG	221	269	317	396	443
NELSON	203	247	290	363	406	NICHOLAS	187	227	267	334	374
OHIO	214	260	306	383	428	OWEN	212	258	303	379	424
OWSLEY	212	257	303	378	424	PENDLETON	212	258	303	379	424
PERRY	212	257	303	378	424	PIKE	225	273	321	402	450
POWELL	187	227	267	334	374	PULASKI	206	251	293	361	404
ROBERTSON	206	250	295	369	413	ROCKCASTLE	190	231	271	339	380
ROWAN	206	250	295	369	413	RUSSELL	202	245	289	361	404
SIMPSON	222	270	318	398	445	SPENCER	189	230	270	338	378
TAYLOR	206	251	293	361	404	TODD	191	232	273	341	382
TRIGG	191	232	273	341	382	TRIMBLE	189	230	270	338	378
UNION	214	260	306	383	428	WARREN	222	270	318	398	445
WASHINGTON	203	247	290	363	406	WAYNE	206	251	293	361	404
WEBSTER	214	260	306	383	428	WHITLEY	224	272	320	400	448
WOLFE	212	257	303	378	424						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: LOUISIANA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALEXANDRIA, LA MSA	235	285	336	420	470
COUNTY(IES): RAPIDES					
BATON ROUGE, LA MSA	295	358	421	526	590
COUNTY(IES): ASCENSION, E BATON ROUG, LIVINGSTON, W BATON ROUG					
HOUMA-THIBODAUX, LA MSA	261	317	373	466	522
COUNTY(IES): LAFOURCHE, TERREBONNE					
LAFAYETTE, LA MSA	295	358	421	526	590
COUNTY(IES): LAFAYETTE, ST MARTIN					
LAKE CHARLES, LA MSA	238	286	334	416	466
COUNTY(IES): CALCASIEU					
MONROE, LA MSA	234	284	334	418	468
COUNTY(IES): OUACHITA					
NEW ORLEANS, LA MSA	325	395	465	580	650
COUNTY(IES): JEFFERSON, ORLEANS, ST BERNARD, ST CHARLES, ST JOHN THE, ST TAMMANY					
SHREVEPORT, LA MSA	266	323	381	476	533
COUNTY(IES): BOSSIER, CADDO					

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ACADIA	203	247	289	362	405	ALLEN	162	197	232	290	325
ASSUMPTION	175	213	250	313	350	AVOYELLES	200	243	286	358	401
BEAUREGARD	162	197	232	290	325	BIENVILLE	209	254	299	373	418
CALDWELL	161	196	230	288	322	CAMERON	162	197	232	290	325
CATAHOULA	200	243	286	358	401	CLAIBORNE	209	254	299	373	418
CONCORDIA	200	243	286	358	401	DE SOTO	209	254	299	373	418
EAST CARROLL	161	196	230	288	322	E FELICIANA	168	204	240	300	336
EVANGELINE	194	235	277	346	388	FRANKLIN	161	196	230	288	322
GRANT	200	243	286	358	401	IBERIA	239	291	342	428	479
IBERVILLE	168	204	240	300	336	JACKSON	161	196	230	288	322
JEFFERSON DA	162	197	232	290	325	LA SALLE	200	243	286	358	401
LINCOLN	209	254	299	373	418	MADISON	161	196	230	288	322
MOREHOUSE	161	196	230	288	322	NATCHITOCHES	209	254	299	373	418
PLAQUEMINES	293	355	418	523	585	POINTE COUPE	168	204	240	300	336
RED RIVER	209	254	299	373	418	RICHLAND	161	196	230	288	322
SABINE	209	254	299	373	418	ST HELENA	168	204	240	300	336
ST JAMES	175	213	250	313	350	ST LANDRY	194	235	277	346	388
ST MARY	239	291	342	428	479	TANGIPAHOA	189	230	271	338	379
TENSAS	161	196	230	288	322	UNION	161	196	230	288	322
VERMILION	203	247	289	362	405	VERNON	200	243	286	358	401
WASHINGTON	189	230	271	338	379	WEBSTER	181	220	259	324	363
WEST CARROLL	161	196	230	288	322	W FELICIANA	168	204	240	300	336
WINN	200	243	286	358	401						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: MAINE

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BANGOR, ME MSA					
COUNTY: PENOBSCOT TOWNS OF BANGOR, BREWER, EDDINGTON, GLENBURN, HAMPDEN, HERMON, HOLDEN, KENDUSKEAG, OLD TOWN, ORONO ORRINGTON, PENOBSCOT IN, VEAZIE	272	331	389	487	545
COUNTY: WALDO TOWNS OF WINTERPORT					
LEWISTON-AUBURN, ME MSA					
COUNTY: ANDROSCOGGIN TOWNS OF AUBURN, GREENE, LEWISTON, LISBON, MECHANIC FAL, POLAND, SABATTUS	287	341	385	430	490
PORTLAND, ME MSA					
COUNTY: CUMBERLAND TOWNS OF CAPE ELIZABE, CUMBERLAND, FALMOUTH, FREEPORT, GORHAM, GRAY, NORTH YARMOU, PORTLAND, RAYMOND SCARBOROUGH, SOUTH PORTLA, STANDISH, WESTBROOK, WINDHAM, YARMOUTH	330	425	500	585	630
COUNTY: YORK TOWNS OF BUXTON, HOLLIS, OLD ORCHARD					
PORTSMOUTH-DOVER-ROCHESTER, NH-ME MSA					
COUNTY: YORK TOWNS OF BERWICK, ELIOT, KITTERY, NORTH BERWIC, SOUTH BERWIC, WELLS, YORK	355	432	508	634	711

NONMETROPOLITAN COUNTIES OR PARTS OF COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANDROSCOGGIN COUNTY TOWNS OF DURHAM, LEEDS, LIVERMORE, LIVERMORE FA MINOT, TURNER, WALES	248	293	347	425	470
AROOSTOOK COUNTY	253	308	362	452	507
CUMBERLAND COUNTY TOWNS OF BALDWIN, BRIDGTON, BRUNSWICK, CASCO HARPSWELL, HARRISON, NAPLES, NEW GLOUCEST, POWNAL, SEBAGO	280	340	400	496	553
FRANKLIN COUNTY	264	298	355	420	475
HANCOCK COUNTY	266	315	370	461	515
KENNEBEC COUNTY	266	323	380	475	532
KNOX COUNTY	257	312	367	459	515
LINCOLN COUNTY	253	307	361	452	506
OXFORD COUNTY	264	298	355	420	475
PENOBSCOT COUNTY TOWNS OF ALTON, ARGYLE, BRADFORD, BRADLEY, BURLINGTON	261	315	367	459	515
CARMEL, CARROLL, CHARLESTON, CHESTER, CLIFTON, CORINNA, CORINTH, DEXTER, DIXMONT, DREW, EAST MILLINO, EDINBURG					
ENFIELD, ETNA, EXETER, GARLAND, GRAND FALLS, GREENBUSH, GREENFIELD, HOWLAND, HUDSON, KINGMAN, LAGRANGE, LAKEVILLE					
LEE, LEVANT, LINCOLN, LOWELL, MATTAWAMKEAG, MAXFIELD, MEDWAY, MILFORD, MILLINOCKET, MOUNT CHASE, NEWBURGH, NEWPORT					
NORTH PENOBS, PASSADUMKEAG, PATTEN, PLYMOUTH, PRENTISS, SEBOEIS, SPRINGFIELD, STACYVILLE, STETSON, SUMMIT, TWOMBLY					
WEBSTER, WHITNEY, WINN, WOODVILLE					
PISCATAQUIS COUNTY	219	266	313	392	439
SAGADAHOC COUNTY	290	390	420	490	574
SOMERSET COUNTY	253	307	361	452	506
WALDO COUNTY TOWNS OF BELFAST, BELMONT, BROOKS, BURNHAM, FRANKFORT	257	312	367	459	515
FREEDOM, ISLESBORO, JACKSON, KNOX, LIBERTY, LINCOLNVILLE, MONROE, MONTVILLE, MORRILL, NORTHPORT, PALERMO, PROSPECT					
SEARSMONT, SEARSPORT, STOCKTON SPR, SWANVILLE, THORNDIKE, TROY, UNITY, WALDO					
WASHINGTON COUNTY	257	312	367	459	515
YORK COUNTY TOWNS OF ACTON, ALFRED, ARUNDEL, BIDDEFORD, CORNISH, DAYTON	320	377	475	490	593
KENNEBUNK, KENNEBUNKPOR, LEBANON, LIMERICK, LIMINGTON, LYMAN, NEWFIELD, PARSONSFIELD, SACO, SANFORD, SHAPLEIGH					
WATERBORO					

S T A T E: MARYLAND

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BALTIMORE, MD MSA					
COUNTY(IES): ANNE ARUNDEL, BALTIMORE, CARROLL, HARFORD, HOWARD, QUEEN ANNES, BALTIMORE	325	394	464	580	650
COLUMBIA, MD MSA					
COUNTY(IES): COLUMBIA	420	510	600	750	840
CUMBERLAND, MD-WV MSA					
COUNTY(IES): ALLEGANY	245	290	340	420	470
HAGERSTOWN, MD MSA					
COUNTY(IES): WASHINGTON	274	332	391	489	547
WASHINGTON, DC-MD-VA MSA					
COUNTY(IES): CALVERT, CHARLES, FREDERICK, MONTGOMERY, PRINCE GEORG	370	450	530	665	745
WILMINGTON, DE-NJ-MD PMSA					
COUNTY(IES): CECIL	304	367	432	540	605

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CAROLINE	258	310	365	456	511	DORCHESTER	265	322	379	474	531
GARRETT	246	298	351	439	491	KENT	270	328	386	483	540
ST MARYS	340	410	480	600	665	SOMERSET	265	322	379	474	531
TALBOT	295	359	422	528	591	WICOMICO	315	385	450	475	531
WORCESTER	267	326	379	474	531						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: MASSACHUSETTS

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BOSTON, MA PMSA	470	570	670	840	940
COUNTY: BRISTOL TOWNS OF MANSFIELD, NORTON, RAYNHAM					
COUNTY: ESSEX TOWNS OF LYNN, LYNNFIELD, NAHANT, SAUGUS					
COUNTY: MIDDLESEX TOWNS OF ACTON, ARLINGTON, ASHLAND, AYER, BEDFORD, BELMONT, BOXBOROUGH, BURLINGTON, CAMBRIDGE, CARLISLE CONCORD, EVERETT, FRAMINGHAM, GROTON, HOLLISTON, HOPKINTON, HUDSON, LEXINGTON, LINCOLN, LITTLETON, MALDEN MARLBOROUGH, MAYNARD, MEDFORD, MELROSE, NATICK, NEWTON, NORTH READIN, READING, SHERBORN, SHIRLEY SOMERVILLE, STONEHAM, STOW, SUDBURY, TOWNSEND, WAKEFIELD, WALTHAM, WATERTOWN, WAYLAND, WESTON, WILMINGTON WINCHESTER, WOBURN					
COUNTY: NORFOLK TOWNS OF BELLINGHAM, BRAINTREE, BROOKLINE, CANTON, COHASSET, DEDHAM, DOVER, FOXBOROUGH, FRANKLIN, HOLBROOK MEDFIELD, MEDWAY, MILLIS, MILTON, NEEDHAM, NORFOLK, NORWOOD, QUINCY, RANDOLPH, SHARON, STOUGHTON, WALPOLE WELLESLEY, WESTWOOD, WEYMOUTH, WRENTHAM					
COUNTY: PLYMOUTH TOWNS OF CARVER, DUXBURY, HANOVER, HANSON, HINGHAM, HULL, KINGSTON, LAKEVILLE, MARSHFIELD, MIDDLEBOROUG NORWELL, PEMBROKE, PLYMOUTH, PLYMPTON, ROCKLAND, SCITUATE					
COUNTY: SUFFOLK TOWNS OF BOSTON, CHELSEA, REVERE, WINTHROP					
COUNTY: WORCESTER TOWNS OF BERLIN, BOLTON, HARVARD, HOPEDALE, LANCASTER, MENDON, MILFORD, SOUTHBOROUGH, UPTON					
BROCKTON, MA PMSA	360	435	545	660	740
COUNTY: BRISTOL TOWNS OF EASTON					
COUNTY: NORFOLK TOWNS OF AVON					
COUNTY: PLYMOUTH TOWNS OF ABINGTON, BRIDGEWATER, BROCKTON, EAST BRIDGEW, HALIFAX, WEST BRIDGEW, WHITMAN					
FALL RIVER, MA-RI PMSA	315	375	450	520	575
COUNTY: BRISTOL TOWNS OF FALL RIVER, SOMERSET, SWANSEA, WESTPORT					
FITCHBURG-LEOMINSTER, MA MSA	280	340	400	500	560
COUNTY: MIDDLESEX TOWNS OF ASHBY					
COUNTY: WORCESTER TOWNS OF ASHBURNHAM, FITCHBURG, LEOMINSTER, LUNENBURG, WESTMINSTER					
LAWRENCE-HAVERHILL, MA-NH PMSA	350	425	500	625	700
COUNTY: ESSEX TOWNS OF AMESBURY, ANDOVER, BOXFORD, GEORGETOWN, GROVELAND, HAVERHILL, LAWRENCE, MERRIMAC, METHUEN, NEWBURY NEWBURYPORT, NORTH ANDOVE, SALISBURY, WEST NEWBURY					
LOWELL, MA-NH PMSA	370	450	525	635	725
COUNTY: MIDDLESEX TOWNS OF BILLERICA, CHELMSFORD, DRACUT, DUNSTABLE, LOWELL, PEPPERELL, TEWKSBURY, TYNGSBOROUGH, WESTFORD					
NEW BEDFORD, MA MSA	320	360	425	520	575
COUNTY: BRISTOL TOWNS OF ACUSHNET, DARTMOUTH, FAIRHAVEN, FREETOWN, NEW BEDFORD					
COUNTY: PLYMOUTH TOWNS OF MARION, MATTAPOISETT, ROCHESTER					
PAWTUCKET-WOONSOCKET-ATTLEBORO, RI-MA PMSA	280	340	400	500	560
COUNTY: BRISTOL TOWNS OF ATTLEBORO, NORTH ATTLEB, REHOBOTH, SEEKONK					
COUNTY: NORFOLK TOWNS OF PLAINVILLE					
COUNTY: WORCESTER TOWNS OF BLACKSTONE, MILLVILLE					
PITTSFIELD, MA MSA	290	350	410	510	575
COUNTY: BERKSHIRE TOWNS OF CHESHIRE, DALTON, HINSDALE, LANESBOROUGH, LEE, LENOX, PITTSFIELD, RICHMOND, STOCKBRIDGE					
SALEM-GLOUCESTER, MA PMSA	400	495	580	725	800
COUNTY: ESSEX TOWNS OF BEVERLY, DANVERS, ESSEX, GLOUCESTER, HAMILTON, IPSWICH, MANCHESTER, MARBLEHEAD, MIDDLETON, PEABODY ROCKPORT, ROWLEY, SALEM, SWAMPSCOTT, TOPSFIELD, WENHAM					
SPRINGFIELD, MA MSA	325	395	460	575	645
COUNTY: HAMPDEN TOWNS OF AGAWAM, CHICOPEE, EAST LONGMEA, HAMPDEN, HOLYOKE, LONGMEADOW, LUDLOW, MONSON, MONTGOMERY, PALMER RUSSELL, SOUTHWICK, SPRINGFIELD, WESTFIELD, WEST SPRINGF, WILBRAHAM					
COUNTY: HAMPSHIRE TOWNS OF BELCHERTOWN, EASTHAMPTON, GRANBY, HUNTINGTON, NORTHAMPTON, SOUTHAMPTON, SOUTH HADLEY					
WORCESTER, MA MSA	330	405	475	595	665
COUNTY: WORCESTER TOWNS OF AUBURN, BARRE, BOYLSTON, BROOKFIELD, CHARLTON, CLINTON, DOUGLAS, DUDLEY, EAST BROOKFI, GRAFTON HOLDEN, LEICESTER, MILLBURY, NORTHBOROUGH, NORTHBRIDGE, NORTH BROOKF, OXFORD, PAXTON, PRINCETON, RUTLAND SHREWSBURY, SPENCER, STERLING, SUTTON, UXBRIDGE, WEBSTER, WESTBOROUGH, WEST BOYLSTO, WORCESTER					

NONMETROPOLITAN COUNTIES OR PARTS OF COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BARNSTABLE COUNTY	425	525	600	750	840
BERKSHIRE COUNTY TOWNS OF ADAMS, ALFORD, BECKET, CLARKSBURG, EGREMONT	280	340	400	500	560
FLORIDA, GREAT BARRIN, HANCOCK, MONTEREY, MOUNT WASHIN, NEW ASHFORD, NEW MARLBORO, NORTH ADAMS, OTIS, PERU SANDISFIELD, SAVOY, SHEFFIELD, TYRINGHAM, WASHINGTON, WEST STOCKBR, WILLIAMSTOWN, WINDSOR					
BRISTOL COUNTY TOWNS OF BERKLEY, DIGHTON, TAUNTON	310	375	440	530	590
DUKES COUNTY	425	525	600	750	840
FRANKLIN COUNTY	325	385	450	565	630
HAMPDEN COUNTY TOWNS OF BLANDFORD, BRIMFIELD, CHESTER, GRANVILLE	293	356	419	523	586
HOLLAND, TOLLAND, WALES					
HAMPSHIRE COUNTY TOWNS OF AMHERST, CHESTERFIELD, CUMMINGTON, GOSHEN	380	440	540	650	755
HADLEY, HATFIELD, MIDDLEFIELD, PELHAM, PLAINFIELD, WARE, WESTHAMPTON, WILLIAMSBURG, WORTHINGTON					
NANTUCKET COUNTY	425	525	600	750	840
PLYMOUTH COUNTY TOWNS OF WAREHAM	310	366	430	531	592
WORCESTER COUNTY TOWNS OF ATHOL, GARDNER, HARDWICK, HUBBARDSTON	310	365	440	540	600
NEW BRAINTRE, OAKHAM, PETERSHAM, PHILLIPSTON, ROYALSTON, SOUTHBRIDGE, STURBRIDGE, TEMPLETON, WARREN, WEST BROOKFI WINCHENDON					

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: MICHIGAN

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANN ARBOR, MI PMSA					
COUNTY(IES): WASHTENAW	351	426	502	627	702
BATTLE CREEK, MI MSA					
COUNTY(IES): CALHOUN	244	296	348	436	488
BENTON HARBOR, MI MSA					
COUNTY(IES): BERRIEN	271	329	387	484	542
DETROIT, MI PMSA					
COUNTY(IES): LAPEER, LIVINGSTON, MACOMB, MONROE, OAKLAND, ST CLAIR, WAYNE	287	345	403	502	560
FLINT, MI MSA					
COUNTY(IES): GENESEE	257	312	368	460	515
GRAND RAPIDS, MI MSA					
COUNTY(IES): KENT, OTTAWA	240	295	345	430	485
JACKSON, MI MSA					
COUNTY(IES): JACKSON	268	325	383	478	536
KALAMAZOO, MI MSA					
COUNTY(IES): KALAMAZOO	280	336	395	485	542
LANSING-EAST LANSING, MI MSA					
COUNTY(IES): CLINTON, EATON, INGHAM	293	352	412	511	571
MUSKEGON, MI MSA					
COUNTY(IES): MUSKEGON	238	290	341	426	477
SAGINAW-BAY CITY-MIDLAND, MI MSA					
COUNTY(IES): BAY, MIDLAND, SAGINAW	265	320	375	470	525

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALCONA	213	259	305	382	427	ALGER	210	255	301	376	421
ALLEGAN	247	300	353	441	494	ALPENA	213	259	305	382	427
ANTRIM	266	323	380	475	532	ARENAC	234	285	335	419	469
BARAGA	218	264	311	389	436	BARRY	249	302	356	445	498
BENZIE	266	323	380	475	532	BRANCH	249	302	356	445	498
CASS	242	293	345	432	484	CHARLEVOIX	266	323	380	475	532
CHEBOYGAN	213	259	305	382	427	CHIPPEWA	210	255	301	376	421
CLARE	234	285	335	419	469	CRAWFORD	213	259	305	382	427
DELTA	210	255	301	376	421	DICKINSON	218	276	325	406	455
EMMET	266	323	380	475	532	GLADWIN	234	285	335	419	469
GOGEBIC	218	264	311	389	436	GRD TRAVERSE	266	323	380	475	532
GRATIOT	267	324	381	477	534	HILLSDALE	265	321	378	473	530
HOUGHTON	218	264	311	389	436	HURON	240	291	342	428	480
IONIA	250	301	355	442	494	IOSCO	234	285	335	419	469
IRON	218	264	311	389	436	ISABELLA	267	324	381	477	534
KALKASKA	266	323	380	475	532	KEWEENAW	218	264	311	389	436
LAKE	245	297	350	437	490	LEELANAU	266	323	380	475	532
LENAWEE	265	321	378	473	530	LUCE	210	255	301	376	421
MACKINAC	210	255	301	376	421	MANISTEE	266	323	380	475	532
MARQUETTE	266	323	380	475	532	MASON	245	297	350	437	490
MECOSTA	245	297	350	437	490	MENOMINEE	266	323	380	475	532
MISSAUKEE	266	323	380	475	532	MONTCALM	247	300	353	441	494
MONTMORENCY	213	259	305	382	427	NEWAYGO	245	297	350	437	490
OCEANA	237	288	339	424	475	OGEMAW	234	285	335	419	469
ONTONAGON	218	264	311	389	436	OSCEOLA	245	297	350	437	490
OSCODA	213	259	305	382	427	OTSEGO	213	259	305	382	427
PRESQUE ISLE	213	259	305	382	427	ROSCOMMON	234	285	335	419	469
ST JOSEPH	249	302	356	445	498	SANILAC	240	291	342	428	480
SCHOOLCRAFT	210	255	301	376	421	SHIAWASSEE	264	320	377	471	528
TUSCOLA	240	291	342	428	480	VAN BUREN	242	293	345	432	484
WEXFORD	266	323	380	475	532						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: MINNESOTA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
DULUTH, MN-WI MSA					
COUNTY(IES): ST LOUIS	270	322	379	474	531
FARGO-MOORHEAD, ND-MN MSA					
COUNTY(IES): CLAY	272	331	389	487	545
MINNEAPOLIS-ST. PAUL, MN-WI MSA					
COUNTY(IES): ANOKA, CARVER, CHISAGO, DAKOTA, HENNEPIN, ISANTI, RAMSEY, SCOTT, WASHINGTON, WRIGHT	335	405	480	600	670
ROCHESTER, MN MSA					
COUNTY(IES): OLMSTED	286	347	409	511	572
ST. CLOUD, MN MSA					
COUNTY(IES): BENTON, SHERBURNE, STEARNS	273	331	389	487	545

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
AITKIN	245	298	351	439	491	BECKER	244	297	349	437	489
BELTRAMI	235	286	336	420	471	BIG STONE	218	265	312	391	437
BLUE EARTH	273	330	382	472	522	BROWN	232	282	332	415	464
CARLTON	247	300	351	439	491	CASS	230	279	329	411	460
CHIPPEWA	218	265	312	391	437	CLEARWATER	235	286	336	420	471
COOK	245	298	351	439	491	COTTONWOOD	218	265	312	391	437
CROW WING	230	279	349	431	480	DODGE	221	268	315	394	441
DOUGLAS	244	297	349	437	489	FARIBAULT	232	282	332	415	464
FILLMORE	226	274	323	404	452	FREEBORN	266	323	381	476	533
GOODHUE	235	286	334	415	464	GRANT	244	297	349	437	489
HOUSTON	226	274	323	404	452	HUBBARD	235	286	336	420	471
ITASCA	247	300	351	439	491	JACKSON	225	271	317	394	438
KANABEC	245	298	351	439	491	KANDIYOHI	257	312	367	459	514
KITTSON	235	286	336	420	471	KOOCHICHING	245	298	351	439	491
LAC QUI PARL	218	265	312	391	437	LAKE	245	298	351	439	491
LAKE OF WOOD	235	286	336	420	471	LE SUEUR	255	310	364	455	510
LINCOLN	225	271	317	394	438	LYON	225	271	317	394	438
MCLEOD	257	312	367	459	514	MAHNOMEN	235	286	336	420	471
MARSHALL	235	286	336	420	471	MARTIN	232	282	332	415	464
MEEKER	257	312	367	459	514	MILLE LACS	245	298	351	439	491
MORRISON	230	279	329	411	460	MOWER	226	274	323	404	452
MURRAY	225	271	317	394	438	NICOLLET	255	310	364	455	510
NOBLES	225	271	317	394	438	NORMAN	235	286	336	420	471
OTTER TAIL	244	297	349	437	489	PENNINGTON	235	286	336	420	471
PINE	245	298	351	439	491	PIPESTONE	225	271	317	394	438
POLK	235	286	336	420	471	POPE	244	297	349	437	489
RED LAKE	235	286	336	420	471	REDWOOD	218	265	312	391	437
RENVILLE	257	312	367	459	514	RICE	266	323	381	476	533
ROCK	225	271	317	394	438	ROSEAU	235	286	336	420	471
SIBLEY	255	310	364	455	510	STEELE	266	323	381	476	533
STEVENS	244	297	349	437	489	SWIFT	218	265	312	391	437
TODD	230	279	329	411	460	TRAVERSE	244	297	349	437	489
WABASHA	235	286	334	415	464	WADENA	230	279	329	411	460
WASECA	232	282	332	415	464	WATONWAN	232	282	332	415	464
WILKIN	244	297	349	437	489	WINONA	227	274	323	404	452
YELLOW MEDIC	218	265	312	391	437						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: MISSISSIPPI

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BILOXI-GULFPORT, MS MSA					
COUNTY(IES): HANCOCK, HARRISON	235	285	336	420	470
JACKSON, MS MSA					
COUNTY(IES): HINDS, MADISON, RANKIN	298	362	426	533	597
MEMPHIS, TN-AR-MS MSA					
COUNTY(IES): DE SOTO	245	300	355	440	495
PASCAGOULA, MS MSA					
COUNTY(IES): JACKSON	256	310	365	457	512

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	205	239	281	371	403
AMITE	171	207	244	305	342
BENTON	192	234	275	344	385
CALHOUN	225	273	322	402	454
CHICKASAW	232	273	322	405	451
CLAIBORNE	171	207	244	305	342
CLAY	222	258	303	379	425
COPIAH	181	220	259	324	363
FORREST	223	271	319	398	446
GEORGE	174	211	249	311	348
GRENADA	172	209	245	307	344
HUMPHREYS	198	240	283	354	396
ITAWAMBA	211	256	302	377	422
JEFFERSON	171	207	244	305	342
JONES	174	211	249	311	348
LAFAYETTE	225	273	322	402	451
LAUDERDALE	221	268	316	395	442
LEAKE	190	231	272	340	381
LEFLORE	172	209	245	307	344
LOWNDES	212	258	303	379	425
MARSHALL	192	234	275	344	385
MONTGOMERY	172	209	245	307	344
NEWTON	190	231	272	340	381
OKTIBBEHA	212	258	303	379	425
PEARL RIVER	223	271	319	398	446
PIKE	205	239	281	371	403
PRENTISS	192	234	275	344	385
SCOTT	190	231	272	340	381
SIMPSON	181	220	259	324	363
STONE	223	271	319	398	446
TALLAHATCHIE	207	251	295	369	414
TIPPAH	192	234	275	344	385
TUNICA	207	251	295	369	414
WALTHALL	171	207	244	305	342
WASHINGTON	198	240	283	354	396
WEBSTER	222	258	303	379	425
WINSTON	222	258	303	379	425
YAZOO	251	305	359	449	503

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALCORN	204	248	292	365	409
ATTALA	172	209	245	307	344
BOLIVAR	198	240	283	354	396
CARROLL	172	209	245	307	344
CHOCTAW	222	258	303	379	425
CLARKE	223	270	316	395	442
COAHOMA	207	251	295	369	414
COVINGTON	174	211	249	311	348
FRANKLIN	171	207	244	305	342
GREENE	174	211	249	311	348
HOLMES	172	209	245	307	344
ISSAQUENA	198	240	283	354	396
JASPER	223	270	316	395	442
JEFFERSON DA	174	211	249	311	348
KEMPER	223	270	316	395	442
LAMAR	223	271	319	398	446
LAWRENCE	171	207	244	305	342
LEE	224	273	320	400	446
LINCOLN	171	207	244	305	342
MARION	223	271	319	398	446
MONROE	211	256	302	377	422
NESHOBA	190	231	272	340	381
NOXUBEE	212	258	303	379	425
PANOLA	207	251	295	369	414
PERRY	174	211	249	311	348
PONTOTOC	232	273	322	405	451
QUITMAN	207	251	295	369	414
SHARKEY	198	240	283	354	396
SMITH	190	231	272	340	381
SUNFLOWER	198	240	283	354	396
TATE	207	251	295	369	414
TISHOMIGO	192	234	275	344	385
UNION	232	273	322	405	451
WARREN	251	305	359	449	503
WAYNE	174	211	249	311	348
WILKINSON	171	207	244	305	342
YALOBUSHA	172	209	245	307	344

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: MISSOURI

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
COLUMBIA, MO MSA COUNTY(IES): BOONE	267	324	382	477*	535
JOPLIN, MO MSA COUNTY(IES): JASPER, NEWTON	206	251	295	369	413
KANSAS CITY, MO-KS MSA COUNTY(IES): CASS, CLAY, JACKSON, LAFAYETTE, PLATTE, RAY	280	340	400	500	560
ST. JOSEPH, MO MSA COUNTY(IES): BUCHANEN	219	266	313	391	438
ST. LOUIS, MO-IL MSA COUNTY(IES): FRANKLIN, JEFFERSON, ST CHARLES, ST LOUIS, ST. LOUIS	275	335	395	495	555
SPRINGFIELD, MO MSA COUNTY(IES): CHRISTIAN, GREENE	229	279	328	410	459

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAIR	209	253	298	373	418	ANDREW	219	266	313	391	438
ATCHISON	198	241	283	354	397	AUDRAIN	232	281	331	414	464
BARRY	193	234	276	345	386	BARTON	188	228	268	335	376
BATES	188	228	268	335	376	BENTON	188	228	268	335	376
BOLLINGER	221	269	316	395	443	BUTLER	182	222	264	329	368
CALDWELL	198	241	284	354	397	CALLAWAY	232	281	331	414	464
CAMDEN	211	256	301	376	422	CAPE GIRARDE	221	269	316	395	443
CARROLL	203	247	291	363	407	CARTER	182	222	264	329	368
CEDAR	188	228	268	335	376	CHARITON	203	247	291	363	407
CLARK	209	253	298	373	418	CLINTON	198	241	283	354	397
COLE	232	281	331	414	464	COOPER	232	281	331	414	464
CRAWFORD	202	246	289	362	405	DADE	193	234	276	345	386
DALLAS	193	234	276	345	386	DAVIESS	198	241	284	354	397
DE KALB	198	241	283	354	397	DENT	202	246	289	362	405
DOUGLAS	182	222	261	326	365	DUNKLIN	182	222	261	326	365
GASCONADE	202	246	289	362	405	GENTRY	198	241	283	354	397
GRUNDY	209	253	298	373	418	HARRISON	198	241	284	354	397
HENRY	188	228	268	335	376	HICKORY	188	228	268	335	376
HOLT	198	241	283	354	397	HOWARD	232	281	331	414	464
HOWELL	182	222	261	326	365	IRON	221	269	316	395	443
JOHNSON	211	257	302	378	423	KNOX	209	253	298	373	418
LACLEDE	211	256	301	376	422	LAWRENCE	193	234	276	345	386
LEWIS	207	250	295	368	408	LINCOLN	202	246	289	362	405
LINN	209	253	298	373	418	LIVINGSTON	209	253	298	373	418
MCDONALD	193	234	276	345	386	MACON	202	246	289	362	405
MADISON	221	269	316	395	443	MARIES	202	246	289	362	405
MARION	207	250	295	368	408	MERCER	198	241	284	354	397
MILLER	211	256	301	376	422	MISSISSIPPI	182	222	261	326	365
MONITEAU	232	281	331	414	464	MONROE	202	246	289	362	405
MONTGOMERY	202	246	289	362	405	MORGAN	211	256	301	376	422
NEW MADRID	182	222	261	326	365	NODAWAY	205	241	291	354	397
OREGON	182	222	261	326	365	OSAGE	232	281	331	414	464
OZARK	182	222	261	326	365	PEMISCOT	182	222	261	326	365
PERRY	221	269	316	395	443	PETTIS	203	247	291	363	407
PHELPS	235	285	335	425	475	PIKE	202	246	289	362	405
POLK	193	234	276	345	386	PULASKI	211	256	301	376	422
PUTNAM	209	253	298	373	418	RALLS	207	250	295	368	408
RANDOLPH	202	246	289	362	405	REYNOLDS	182	222	261	326	365
RIPLEY	182	222	264	329	368	ST CLAIR	188	228	268	335	376
STE GENEVIEV	221	269	316	395	443	ST FRANCOIS	221	269	316	395	443
SALINE	203	247	291	363	407	SCHUYLER	209	253	298	373	418
SCOTLAND	209	253	298	373	418	SCOTT	221	269	316	395	443
SHANNON	182	222	261	326	365	SHELBY	202	246	289	362	405
STODDARD	182	222	261	326	365	STONE	193	234	276	345	386
SULLIVAN	209	253	298	373	418	TANEY	193	234	276	345	386
TEXAS	182	222	261	326	365	VERNON	188	228	268	335	376
WARREN	202	246	289	362	405	WASHINGTON	202	246	289	362	405
WAYNE	182	222	254	329	368	WEBSTER	193	234	276	345	386
WORTH	198	241	283	354	397	WRIGHT	182	222	261	326	365

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: MONTANA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BILLINGS, MT MSA					
COUNTY(IES): YELLOWSTONE	305	371	437	546	611
GREAT FALLS, MT MSA					
COUNTY(IES): CASCADE	263	320	377	471	527

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BEAVERHEAD	262	319	375	469	525
BIG HORN	247	300	353	442	495
BLAINE	245	297	350	437	490
BROADWATER	262	319	375	469	525
CARBON	247	300	353	442	495
CARTER	247	300	353	442	495
CHOUTEAU	245	297	350	437	490
CUSTER	247	300	353	442	495
DANIELS	245	297	350	437	490
DAWSON	247	300	353	442	495
DEER LODGE	262	319	375	469	525
FALLON	247	300	353	442	495
FERGUS	247	300	353	442	495
FLATHEAD	268	326	383	479	537
GALLATIN	290	355	420	520	585
GARFIELD	247	300	353	442	495
GLACIER	245	297	350	437	490
GOLDEN VALLE	247	300	353	442	495
GRANITE	262	319	375	469	525
HILL	245	297	350	437	490
JEFFERSON	262	319	375	469	525
JUDITH BASIN	247	300	353	442	495
LAKE	268	326	383	479	537
LEWIS+ CLARK	300	370	435	540	610
LIBERTY	245	297	350	437	490
LINCOLN	268	326	383	479	537
MCCONE	247	300	353	442	495
MADISON	262	319	375	469	525
MEAGHER	262	319	375	469	525
MINERAL	268	326	383	479	537
MISSOULA	268	326	383	479	537
MUSSELSHELL	247	300	353	442	495
PARK	262	319	375	469	525
PETROLEUM	247	300	353	442	495
PHILLIPS	245	297	350	437	490
PONDERA	245	297	350	437	490
POWDER RIVER	247	300	353	442	495
POWELL	262	319	375	469	525
PRAIRIE	247	300	353	442	495
RAVALLI	268	326	383	479	537
RICHLAND	247	300	353	442	495
ROOSEVELT	245	297	350	437	490
ROSEBUD	247	300	353	442	495
SANDERS	268	326	383	479	537
SHERIDAN	245	297	350	437	490
SILVER BOW	262	319	375	469	525
STILLWATER	247	300	353	442	495
SWEET GRASS	247	300	353	442	495
TETON	245	297	350	437	490
TOOLE	245	297	350	437	490
TREASURE	247	300	353	442	495
VALLEY	245	297	350	437	490
WHEATLAND	247	300	353	442	495
WIBAUX	247	300	353	442	495
YL-ST-NT-PK	262	319	375	469	525					

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: NEBRASKA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
LINCOLN, NE MSA COUNTY(IES): LANCASTER	269	327	385	482	539
OMAHA, NE-IA MSA COUNTY(IES): DOUGLAS, SARPY, WASHINGTON	265	321	378	473	530
SIOUX CITY, IA-NE MSA COUNTY(IES): DAKOTA	262	319	375	469	525

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	241	293	345	431	483	ANTELOPE	234	284	335	418	469
ARTHUR	204	248	291	364	408	BANNER	198	240	282	353	396
BLAINE	198	240	282	353	396	BOONE	216	263	309	387	433
BOX BUTTE	225	274	322	402	451	BOYD	198	240	282	353	396
BROWN	198	240	282	353	396	BUFFALO	241	293	345	431	483
BURT	216	263	309	387	433	BUTLER	213	259	305	381	427
CASS	213	259	305	381	427	CEDAR	234	284	335	418	469
CHASE	204	248	291	364	408	CHERRY	198	240	282	353	396
CHEYENNE	198	240	282	353	396	CLAY	241	293	345	431	483
COLFAX	216	263	309	387	433	CUMING	216	263	309	387	433
CUSTER	198	240	282	353	396	DAWES	198	240	282	353	396
DAWSON	204	248	291	364	408	DEUEL	198	240	282	353	396
DIXON	234	284	335	418	469	DODGE	216	263	309	387	433
DUNDY	204	248	291	364	408	FILLMORE	213	259	305	381	427
FRANKLIN	241	293	345	431	483	FRONTIER	204	248	291	364	408
FURNAS	204	248	291	364	408	GAGE	236	286	337	421	472
GARDEN	198	240	282	353	396	GARFIELD	198	240	282	353	396
GOSPER	204	248	291	364	408	GRANT	204	248	291	364	408
GREELEY	198	240	282	353	396	HALL	241	293	345	431	483
HAMILTON	241	293	345	431	483	HARLAN	241	293	345	431	483
HAYES	204	248	291	364	408	HITCHCOCK	204	248	291	364	408
HOLT	202	247	290	360	402	HOOKER	204	248	291	364	408
HOWARD	241	293	345	431	483	JEFFERSON	213	259	305	381	427
JOHNSON	213	259	305	381	427	KEARNEY	241	293	345	431	483
KEITH	204	248	291	364	408	KEYA PAHA	202	247	290	360	402
KIMBALL	198	240	282	353	396	KNOX	234	284	335	418	469
LINCOLN	204	248	291	364	408	LOGAN	204	248	291	364	408
LOUP	198	240	282	353	396	MCPHERSON	204	248	291	364	408
MADISON	234	284	335	418	469	MERRICK	241	293	345	431	483
MORRILL	198	240	282	353	396	NANCE	216	263	309	387	433
NEMAHA	213	259	305	381	427	NUCKOLLS	241	293	345	431	483
OTOE	213	259	305	381	427	PAWNEE	213	259	305	381	427
PERKINS	204	248	291	364	408	PHELPS	241	293	345	431	483
PIERCE	234	284	335	418	469	PLATTE	216	263	309	387	433
POLK	213	259	305	381	427	RED WILLOW	204	248	291	364	408
RICHARDSON	213	259	305	381	427	ROCK	202	247	290	360	402
SALINE	213	259	305	381	427	SAUNDERS	213	259	305	381	427
SCOTTS BLUFF	230	277	322	399	445	SEWARD	213	259	305	381	427
SHERIDAN	198	240	282	353	396	SHERMAN	198	240	282	353	396
SIOUX	198	240	282	353	396	STANTON	234	284	335	418	469
THAYER	213	259	305	381	427	THOMAS	204	248	291	364	408
THURSTON	216	263	309	387	433	VALLEY	198	240	282	353	396
WAYNE	234	284	335	418	469	WEBSTER	241	293	345	431	483
WHEELER	198	240	282	353	396	YORK	213	259	305	381	427

STATE: NEVADA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
LAS VEGAS, NV MSA COUNTY(IES): CLARK	367	445	524	655	734
RENO, NV MSA COUNTY(IES): WASHOE	452	549	646	808	905

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CHURCHILL	322	388	456	570	639	DOUGLAS	322	388	456	570	639
ELKO	322	388	456	570	639	ESMERALDA	319	388	456	570	639
EUREKA	319	388	456	570	639	HUMBOLDT	322	388	456	570	639
LANDER	322	388	456	570	639	LINCOLN	319	388	456	570	639
LYON	322	388	456	570	639	MINERAL	322	388	456	570	639
NYE	319	388	456	570	639	PERSHING	322	388	456	570	639
STOREY	322	388	456	570	639	WHITE PINE	319	388	456	570	639
CARSON CITY	322	388	456	570	639						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: NEW HAMPSHIRE	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
LAWRENCE-HAVERHILL, MA-NH PMSA	350	425	500	625	700
COUNTY: ROCKINGHAM TOWNS OF ATKINSON, BRENTWOOD, DANVILLE, DERRY, EAST KINGSTO, HAMPSTEAD, KINGSTON, NEWTON, PLAISTOW SALEM, SANDOWN, SEABROOK, WINDHAM					
LOWELL, MA-NH PMSA	370	450	525	635	725
COUNTY: HILLSBOROUGH TOWNS OF PELHAM					
MANCHESTER, NH MSA	343	416	490	612	686
COUNTY: HILLSBOROUGH TOWNS OF BEDFORD, GOFFSTOWN, MANCHESTER					
COUNTY: MERRIMACK TOWNS OF ALLENSTOWN, HOOKSETT					
COUNTY: ROCKINGHAM TOWNS OF AUBURN, CANDIA					
NASHUA, NH PMSA	388	471	554	693	776
COUNTY: HILLSBOROUGH TOWNS OF AMHERST, BROOKLINE, HOLLIS, HUDSON, LITCHFIELD, MERRIMACK, MILFORD, MONT VERNON, NASHUA WILTON					
COUNTY: ROCKINGHAM TOWNS OF LONDONDERRY					
PORTSMOUTH-DOVER-ROCHESTER, NH-ME MSA	355	432	508	634	711
COUNTY: ROCKINGHAM TOWNS OF EXETER, GREENLAND, HAMPTON, NEW CASTLE, NEWFIELDS, NEWINGTON, NEWMARKET, NORTH HAMPTO PORTSMOUTH, RYE, STRATHAM					
COUNTY: STRAFFORD TOWNS OF BARRINGTON, DOVER, DURHAM, FARMINGTON, LEE, MADBURY, MILTON, ROCHESTER, ROLLINSFORD SOMERSWORTH					

NONMETROPOLITAN COUNTIES OR PARTS OF COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BELKNAP COUNTY	298	359	418	518	580
CARROLL COUNTY	294	357	420	525	588
CHESHIRE COUNTY	308	375	441	551	617
COOS COUNTY	274	333	392	490	549
GRAFTON COUNTY	306	372	438	547	613
HILLSBOROUGH COUNTY TOWNS OF ANTRIM, BENNINGTON, DEERING, FRANCESTOWN GREENFIELD, GREENVILLE, HANCOCK, HILLSBOROUGH, LYNDEBOROUGH, MASON, NEW BOSTON, NEW IPSWICH, PETERBOROUGH, SHARON TEMPLE, WEARE, WINDSOR	336	408	480	600	672
MERRIMACK COUNTY TOWNS OF ANDOVER, BOSCAWEN, BOW, BRADFORD, CANTERBURY CHICHESTER, CONCORD, DANBURY, DUNBARTON, EPSOM, FRANKLIN, HENNIKER, HILL, HOPKINTON, LOUDON, NEWBURY, NEW LONDON NORTHFIELD, PEMBROKE, PITTSFIELD, SALISBURY, SUTTON, WARNER, WEBSTER, WILMOT	322	392	461	576	645
ROCKINGHAM COUNTY TOWNS OF CHESTER, DEERFIELD, EPPING, FREMONT HAMPTON FALL, KENSINGTON, NORTHWOOD, NOTTINGHAM, RAYMOND, SOUTH HAMPTO	336	409	481	601	673
STRAFFORD COUNTY TOWNS OF MIDDLETON, NEW DURHAM, STRAFFORD	290	352	414	518	580
SULLIVAN COUNTY	298	359	419	523	586

S T A T E: NEW JERSEY	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALLENTOWN-BETHLEHEM, PA-NJ MSA	272	330	385	485	540
COUNTY(IES): WARREN					
ATLANTIC CITY, NJ MSA	324	394	463	579	649
COUNTY(IES): ATLANTIC, CAPE MAY					
BERGEN-PASSAIC, NJ PMSA	445	540	640	800	895
COUNTY(IES): BERGEN, PASSAIC					
JERSEY CITY, NJ PMSA	308	374	440	550	616
COUNTY(IES): HUDSON					
MIDDLESEX-SOMERSET-HUNTERDON, NJ PMSA	413	502	590	738	826
COUNTY(IES): HUNTERDON, MIDDLESEX, SOMERSET					
MONMOUTH-OCEAN, NJ PMSA	371	450	530	663	742
COUNTY(IES): MONMOUTH, OCEAN					
NEWARK, NJ PMSA	347	421	495	619	693
COUNTY(IES): ESSEX, MORRIS, SUSSEX, UNION					
PHILADELPHIA, PA-NJ PMSA	310	375	440	550	615
COUNTY(IES): BURLINGTON, CAMDEN, GLOUCESTER					
TRENTON, NJ PMSA	388	471	554	693	776
COUNTY(IES): MERCER					
VINELAND-MILLVILLE-BRIDGETON, NJ PMSA	311	378	445	556	623
COUNTY(IES): CUMBERLAND					
WILMINGTON, DE-NJ-MD PMSA	304	367	432	540	605
COUNTY(IES): SALEM					

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSIRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: NEW MEXICO	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALBUQUERQUE, NM MSA	308	374	440	550	616
COUNTY(IES): BERNALILLO					
LAS CRUCES, NM MSA	244	297	349	437	489
COUNTY(IES): DONA ANA					
SANTA FE, NM MSA	358	435	512	640	717
COUNTY(IES): LOS ALAMOS, SANTE FE					

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CATRON	221	268	316	395	442	CHAVES	240	291	343	428	480
COLFAX	228	277	326	407	456	CURRY	228	277	326	407	456
DE BACA	228	277	326	407	456	EDDY	264	321	378	472	529
GRANT	221	268	316	395	442	GUADALUPE	228	277	326	407	456
HARDING	228	277	326	407	456	HIDALGO	221	268	316	395	442
LEA	264	321	378	472	529	LINCOLN	240	291	343	428	480
LUNA	221	268	316	395	442	MCKINLEY	306	372	438	548	613
MORA	228	277	326	407	456	OTERO	240	291	343	428	480
QUAY	228	277	326	407	456	RIO ARRIBA	205	249	293	366	410
ROOSEVELT	228	277	326	407	456	SANDOVAL	260	315	371	464	519
SAN JUAN	306	372	438	548	613	SAN MIGUEL	228	277	326	407	456
SIERRA	240	291	343	428	480	SOCORRO	240	291	343	428	480
TAOS	245	298	350	438	490	TORRANCE	228	277	326	407	456
UNION	228	277	326	407	456	VALENCIA	221	268	316	395	442

STATE: NEW YORK	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALBANY-SCHENECTADY-TROY, NY MSA	275	330	390	490	545
COUNTY(IES): ALBANY, GREENE, MONTGOMERY, RENSSELAER, SARATOGA, SCHENECTADY					
BINGHAMTON, NY MSA	249	298	353	435	488
COUNTY(IES): BROOME, TIOGA					
BUFFALO, NY PMSA	263	319	375	469	525
COUNTY(IES): ERIE					
ELMIRA, NY MSA	251	305	359	449	503
COUNTY(IES): CHEMUNG					
GLENS FALLS, NY MSA	259	315	370	463	519
COUNTY(IES): WARREN, WASHINGTON					
NASSAU-SUFFOLK, NY PMSA	438	532	626	783	876
COUNTY(IES): NASSAU, SUFFOLK					
NEW YORK, NY PMSA	330	400	470	590	660
COUNTY(IES): BRONX, KINGS, NEW YORK, PUTNAM, QUEENS, RICHMOND, ROCKLAND, WESTCHESTER					
NIAGARA FALLS, NY PMSA	252	306	360	450	504
COUNTY(IES): NIAGARA					
ORANGE COUNTY, NY PMSA	303	368	433	541	606
COUNTY(IES): ORANGE					
POUGHKEEPSIE, NY MSA	346	420	495	618	692
COUNTY(IES): DUTCHESS					
ROCHESTER, NY MSA	295	360	425	530	590
COUNTY(IES): LIVINGSTON, MONROE, ONTARIO, ORLEANS, WAYNE					
SYRACUSE, NY MSA	260	311	364	455	510
COUNTY(IES): MADISON, ONONDAGA, OSWEGO					
UTICA-ROME, NY MSA	226	275	324	405	453
COUNTY(IES): HERKIMER, ONEIDA					

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALLEGANY	222	266	311	389	436	CATTARAUGUS	218	265	311	389	436
CAYUGA	259	315	370	463	519	CHAUTAUQUA	233	283	333	416	466
CHENANGO	256	311	366	457	512	CLINTON	235	286	336	420	471
COLUMBIA	244	296	349	436	488	CORTLAND	266	323	380	475	532
DELAWARE	238	290	341	426	477	ESSEX	236	286	336	420	471
FRANKLIN	235	286	336	420	471	FULTON	211	257	302	378	423
GENESEE	241	292	344	430	482	HAMILTON	235	286	336	420	471
JEFFERSON	253	307	361	451	506	LEWIS	253	307	361	451	506
OTSEGO	238	290	341	426	477	ST LAWRENCE	241	292	344	430	482
SCHOHARIE	238	290	341	426	477	SCHUYLER	244	296	349	436	488
SENECA	259	315	370	463	519	STEUBEN	244	296	349	436	488
SULLIVAN	238	290	341	426	477	TOMPKINS	266	323	380	475	532
ULSTER	304	369	434	542	608	WYOMING	242	292	344	430	482
YATES	242	294	346	433	484						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
S T A T E: NORTH CAROLINA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ASHEVILLE, NC MSA					
COUNTY(IES): BUNCOMBE	242	295	347	433	485
BURLINGTON, NC MSA					
COUNTY(IES): ALAMANCE	240	292	343	429	481
CHARLOTTE-GASTONIA-ROCK HILL, NC-SC MSA					
COUNTY(IES): CABARRUS, GASTON, LINCOLN, MECKLENBURG, ROWAN, UNION	270	326	381	476	533
FAYETTEVILLE, NC MSA					
COUNTY(IES): CUMBERLAND	232	281	331	414	464
GREENSBORO--WINSTON-SALEM--HIGH POINT, NC MSA					
COUNTY(IES): DAVIDSON, DAVIE, FORSYTH, GUILFORD, RANDOLPH, STOKES, YADKIN	253	308	362	453	507
HICKORY, NC MSA					
COUNTY(IES): ALEXANDER, BURKE, CATAWBA	222	269	317	396	444
JACKSONVILLE, NC MSA					
COUNTY(IES): ONSLOW	230	280	329	412	461
RALEIGH-DURHAM, NC MSA					
COUNTY(IES): DURHAM, FRANKLIN, ORANGE, WAKE	290	353	415	519	581
WILMINGTON, NC MSA					
COUNTY(IES): NEW HANOVER	242	295	347	433	485

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALLEGHANY	219	264	309	386	424
ASHE	219	264	309	386	424
BEAUFORT	242	295	347	433	485
BLADEN	235	285	335	419	469
CALDWELL	219	265	312	391	437
CARTERET	228	277	326	408	457
CHATHAM	218	264	311	389	435
CHOWAN	235	281	327	407	453
CLEVELAND	219	264	309	386	424
CRAVEN	228	277	326	408	457
DARE	235	281	327	407	453
EDGECOMBE	228	277	326	408	457
GRAHAM	190	231	272	340	381
GREENE	212	257	303	379	424
HARNETT	212	257	303	379	424
HENDERSON	239	291	342	428	479
HOKE	205	249	293	366	410
IREDELL	220	267	314	389	435
JOHNSTON	225	273	322	402	451
LEE	225	273	322	402	451
MCDOWELL	219	264	309	386	424
MADISON	239	291	342	428	479
MITCHELL	219	264	309	386	424
MOORE	221	265	309	387	433
NORTHAMPTON	228	277	326	408	457
PASQUOTANK	235	281	327	407	453
PERQUIMANS	235	281	327	407	453
PITT	242	295	347	433	485
RICHMOND	221	265	309	387	433
ROCKINGHAM	220	267	314	393	440
SAMPSON	212	257	303	379	424
STANLY	217	264	311	389	435
SWAIN	190	231	272	340	381
TYRRELL	235	281	327	407	453
WARREN	210	255	300	375	420
WATAUGA	219	264	309	386	424
WILKES	219	264	309	386	424
YANCEY	219	264	309	386	424

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANSON	221	265	309	387	433
AVERY	219	264	309	386	424
BERTIE	242	295	347	433	485
BRUNSWICK	220	268	315	394	441
CAMDEN	235	281	327	407	453
CASWELL	220	267	314	393	440
CHEROKEE	190	231	272	340	381
CLAY	190	231	272	340	381
COLUMBUS	230	279	328	410	459
CURRITUCK	267	320	368	455	502
DUPLIN	205	249	293	366	410
GATES	235	281	327	407	453
GRANVILLE	210	255	300	375	420
HALIFAX	228	277	326	408	457
HAYWOOD	190	231	272	340	381
HERTFORD	242	295	347	433	485
HYDE	235	281	327	407	453
JACKSON	228	277	326	408	456
JONES	228	277	326	408	457
LENOIR	196	238	280	350	392
MACON	190	231	272	340	381
MARTIN	242	295	347	433	485
MONTGOMERY	221	265	309	387	433
NASH	234	284	334	418	468
PAMLICO	228	277	326	408	457
PENDER	201	244	287	359	403
PERSON	210	255	300	375	420
POLK	219	264	309	386	424
ROBESON	196	238	280	350	392
RUTHERFORD	219	264	309	386	424
SCOTLAND	196	238	281	350	392
SURRY	207	252	296	370	414
TRANSYLVANIA	239	291	342	428	479
VANCE	210	255	300	375	420
WASHINGTON	235	281	327	407	453
WAYNE	212	257	303	379	424
WILSON	234	284	334	418	468

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: NORTH DAKOTA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BISMARCK, ND MSA					
COUNTY(IES): BURLEIGH, MORTON	273	332	391	488	547
FARGO-MOORHEAD, ND-MN MSA					
COUNTY(IES): CASS	272	331	389	487	545
GRAND FORKS, ND MSA					
COUNTY(IES): GRAND FORKS	260	315	371	464	520

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	231	281	331	414	463	BARNES	237	288	338	423	474
BENSON	237	288	338	423	474	BILLINGS	231	281	331	414	463
BOTTINEAU	231	281	331	414	463	BOWMAN	231	281	331	414	463
BURKE	231	281	331	414	463	CAVALIER	237	288	338	423	474
DICKEY	237	288	338	423	474	DIVIDE	231	281	331	414	463
DUNN	231	281	331	414	463	EDDY	237	288	338	423	474
EMMONS	209	253	298	373	417	FOSTER	237	288	338	423	474
GOLDEN VALLY	231	281	331	414	463	GRANT	209	253	298	373	417
GRIGGS	237	288	338	423	474	HETTINGER	231	281	331	414	463
KIDDER	209	253	298	373	417	LA MOORE	237	288	338	423	474
LOGAN	237	288	338	423	474	MCHENRY	231	281	331	414	463
MCINTOSH	237	288	338	423	474	MCKENZIE	231	281	331	414	463
MCLEAN	209	253	298	373	417	MERCER	209	253	298	373	417
MOUNTRAIL	231	281	331	414	463	NELSON	237	288	338	423	474
OLIVER	209	253	298	373	417	PEMBINA	237	288	338	423	474
PIERCE	231	281	331	414	463	RAMSEY	237	288	338	423	474
RANSOM	215	261	307	384	430	RENVILLE	231	281	331	414	463
RICHLAND	215	261	307	384	430	ROLETTE	237	288	338	423	474
SARGENT	215	261	307	384	430	SHERIDAN	209	253	298	373	417
SIOUX	209	253	298	373	417	SLOPE	231	281	331	414	463
STARK	231	281	331	414	463	STEELE	215	261	307	384	430
STUTSMAN	237	288	338	423	474	TOWNER	237	288	338	423	474
TRAILL	215	261	307	384	430	WALSH	237	288	338	423	474
WARD	231	281	331	414	463	WELLS	237	288	338	423	474
WILLIAMS	231	281	331	414	463						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: OHIO

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
AKRON, OH PMSA COUNTY(IES): PORTAGE, SUMMIT	271	330	388	485	543
CANTON, OH MSA COUNTY(IES): CARROLL, STARK	237	288	338	423	474
CINCINNATI, OH-KY-IN PMSA COUNTY(IES): CLERMONT, HAMILTON, WARREN	250	305	360	450	500
CLEVELAND, OH PMSA COUNTY(IES): CUYAHOGA, GEAUGA, LAKE, MEDINA	283	344	404	505	566
COLUMBUS, OH MSA COUNTY(IES): DELAWARE, FAIRFIELD, FRANKLIN, LICKING, MADISON, PICKAWAY, UNION	270	325	385	480	540
DAYTON-SPRINGFIELD, OH MSA COUNTY(IES): CLARK, GREENE, MIAMI, MONTGOMERY	250	305	355	445	495
HAMILTON-MIDDLETOWN, OH PMSA COUNTY(IES): BUTLER	280	341	401	501	561
HUNTINGTON-ASHLAND, WV-KY-OH MSA COUNTY(IES): LAWRENCE	266	323	380	475	533
LIMA, OH MSA COUNTY(IES): ALLEN, AUGLAIZE	251	305	359	449	503
LORAIN-ELYRIA, OH PMSA COUNTY(IES): LORAIN	267	325	382	478	535
MANSFIELD, OH MSA COUNTY(IES): RICHLAND	227	277	325	406	455
PARKERSBURG-MARIETTA, WV-OH MSA COUNTY(IES) WASHINGTON	247	300	353	442	495
STEUBENVILLE-WEIRTON, OH-WV MSA COUNTY(IES): JEFFERSON	254	308	362	453	508
TOLEDO, OH MSA COUNTY(IES): FULTON, LUCAS, WOOD	288	350	412	515	577
WHEELING, WV-OH MSA COUNTY(IES): BELMONT	250	304	358	448	501
YOUNGSTOWN-WARREN, OH MSA COUNTY(IES): MAHONING, TRUMBULL	251	305	359	449	503

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	225	271	317	395	443
ASHTABULA	265	322	379	474	531
BROWN	225	271	317	395	443
CLINTON	229	279	328	410	459
COSHOCTON	205	250	295	365	410
DARKE	229	279	328	410	459
ERIE	259	314	370	462	518
GALLIA	247	300	353	442	495
HANCOCK	243	295	347	434	487
HARRISON	228	277	327	408	457
HIGHLAND	225	271	317	395	443
HOLMES	241	293	344	431	482
JACKSON	221	269	316	395	443
LOGAN	243	295	347	434	487
MEIGS	218	265	312	390	436
MONROE	245	298	350	438	491
MORROW	221	269	316	395	443
NOBLE	245	298	350	438	491
PAULDING	256	310	365	457	512
PIKE	221	269	316	395	443
PUTNAM	247	300	353	442	495
SANDUSKY	259	314	370	462	518
SENECA	228	277	327	408	457
TUSCARAWAS	241	293	344	431	482
VINTON	247	300	353	442	495
WILLIAMS	256	310	365	457	512

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ASHLAND	248	302	355	444	497
ATHENS	235	290	340	425	475
CHAMPAIGN	240	291	343	429	480
COLUMBIANA	235	285	336	420	470
CRAWFORD	228	277	327	408	457
DEFIANCE	256	310	365	457	512
FAYETTE	229	279	328	410	459
GUERNSEY	242	294	346	433	485
HARDIN	243	295	347	434	487
HENRY	256	310	365	457	512
HOCKING	218	265	312	390	436
HURON	228	277	327	408	457
KNOX	221	269	316	395	443
MARION	221	269	316	395	443
MERCER	229	279	328	410	459
MORGAN	245	298	350	438	491
MUSKINGUM	205	250	295	365	410
OTTAWA	259	314	370	462	518
PERRY	218	265	312	390	436
PREBLE	249	303	356	446	499
ROSS	229	279	328	410	459
SCIOTO	221	269	316	395	443
SHELBY	229	279	328	410	459
VAN WERT	247	300	353	442	495
WAYNE	248	302	355	444	497
WYANDOT	228	277	327	408	457

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1 15 TIMES THE FOUR-BEDROOM FMR AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1 30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: OKLAHOMA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ENID, OK MSA COUNTY(IES): GARFIELD	277	337	396	496	555
FORT SMITH, AR-OK MSA COUNTY(IES): SEQUOYAH	231	281	331	414	463
LAWTON, OK MSA COUNTY(IES): COMANCHE	238	289	341	426	477
OKLAHOMA CITY, OK MSA COUNTY(IES): CANADIAN, CLEVELAND, LOGAN, MCCLAIN, OKLAHOMA, POTTAWATOMIE	300	361	424	520	585
TULSA, OK MSA COUNTY(IES): CREEK, OSAGE, ROGERS, TULSA, WAGONER	301	366	431	538	603

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAIR	186	227	266	332	369	ALFALFA	211	257	302	377	423
ATOKA	163	199	234	292	327	BEAVER	211	257	302	377	423
BECKHAM	206	250	294	368	412	BLAINE	211	257	302	377	423
BRYAN	196	238	280	350	392	CADDO	195	237	279	348	390
CARTER	196	238	280	350	392	CHEROKEE	186	227	266	332	369
CHOCTAW	163	199	234	292	327	CIMARRON	211	257	302	377	423
COAL	163	199	234	292	327	COTTON	195	237	279	348	390
CRAIG	236	287	338	422	473	CUSTER	206	250	294	368	412
DELAWARE	184	224	263	329	369	DEWEY	211	257	302	377	423
ELLIS	211	257	302	377	423	GARVIN	196	238	280	350	392
GRADY	195	237	279	348	390	GRANT	244	296	348	436	488
GREER	206	250	294	368	412	HARMON	206	250	294	368	412
HARPER	211	257	302	377	423	HASKELL	163	199	234	292	327
HUGHES	189	230	271	339	379	JACKSON	206	250	294	368	412
JEFFERSON	195	237	279	348	390	JOHNSTON	196	238	280	350	392
KAY	244	296	348	436	488	KINGFISHER	244	296	348	436	488
KIOWA	206	250	294	368	412	LATIMER	163	199	234	292	327
LE FLORE	163	199	234	292	327	LINCOLN	233	283	333	416	466
LOVE	196	238	280	350	392	MCCURTAIN	163	199	234	292	327
MCINTOSH	189	230	271	339	379	MAJOR	211	257	302	377	423
MARSHALL	196	238	280	350	392	MAYES	245	297	350	438	490
MURRAY	196	238	280	350	392	MUSKOGEE	189	230	271	339	379
NOBLE	244	296	348	436	488	NOWATA	236	287	338	422	473
OKFUSKEE	189	230	271	339	379	OKMULGEE	189	230	271	339	379
OTTAWA	236	287	338	422	473	PAWNEE	233	283	333	416	466
PAYNE	233	283	333	416	466	PITTSBURG	163	199	234	292	327
PONTOTOC	196	238	280	350	392	PUSHMATAHA	163	199	234	292	327
ROGER MILLS	206	250	294	368	412	SEMINOLE	194	236	279	344	382
STEPHENS	195	237	279	348	390	TEXAS	211	257	302	377	423
TILLMAN	195	237	279	348	390	WASHINGTON	236	287	338	422	473
WASHITA	206	250	294	368	412	WOODS	211	257	302	377	423
WOODWARD	211	257	302	377	423						

STATE: OREGON	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
EUGENE-SPRINGFIELD, OR MSA COUNTY(IES): LANE	321	390	459	574	642
MEDFORD, OR MSA COUNTY(IES): JACKSON	319	387	455	569	638
PORTLAND, OR PMSA COUNTY(IES): CLACKAMAS, MULTNOMAH, WASHINGTON, YAMHILL	287	349	410	525	600
SALEM, OR MSA COUNTY(IES): MARION, POLK	300	364	429	536	601

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BAKER	292	355	417	522	584	BENTON	298	362	426	532	596
CLATSOP	284	345	406	507	568	COLUMBIA	284	345	406	507	568
COOS	305	370	436	545	610	CROOK	309	376	442	553	619
CURRY	305	370	436	545	610	DESCHUTES	309	376	442	553	619
DOUGLAS	305	370	436	545	610	GILLIAM	292	355	417	522	584
GRANT	292	355	417	522	584	HARNEY	279	339	399	499	559
HOOD RIVER	309	376	442	553	619	JEFFERSON	309	376	442	553	619
JOSEPHINE	305	370	436	545	610	KLAMATH	279	339	399	499	559
LAKE	279	339	399	499	559	LINCOLN	284	345	406	507	568
LINN	298	362	426	532	596	MALHEUR	279	339	399	499	559
MORROW	292	355	417	522	584	SHERMAN	309	376	442	553	619
TILLAMOOK	284	345	406	507	568	UMATILLA	292	355	417	522	584
UNION	292	355	417	522	584	WALLOWA	292	355	417	522	584
WASCO	309	376	442	553	619	WHEELER	292	355	417	522	584

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1 15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1 30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: PENNSYLVANIA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALLENTOWN-BETHLEHEM, PA-NJ MSA COUNTY(IES): CARBON, LEHIGH, NORTHAMPTON	272	330	385	485	540
ALTOONA, PA MSA COUNTY(IES): BLAIR	242	294	346	432	484
BEAVER COUNTY, PA PMSA COUNTY(IES): BEAVER	267	322	379	474	531
ERIE, PA MSA COUNTY(IES): ERIE	279	339	398	498	558
HARRISBURG-LEBANON-CARLISLE, PA MSA COUNTY(IES): CUMBERLAND, DAUPHIN, LEBANON, PERRY	288	346	408	510	571
JOHNSTOWN, PA MSA COUNTY(IES): CAMBRIA, SOMERSET	235	286	336	420	471
LANCASTER, PA MSA COUNTY(IES): LANCASTER	291	354	416	520	582
PHILADELPHIA, PA-NJ PMSA COUNTY(IES): BUCKS, CHESTER, DELAWARE, MONTGOMERY, PHILADELPHIA	310	375	440	550	615
PITTSBURGH, PA PMSA COUNTY(IES): ALLEGHANY, FAYETTE, WASHINGTON, WESTMORELAND	280	340	400	500	560
READING, PA MSA COUNTY(IES): BERKS	272	331	389	486	545
SCRANTON--WILKES-BARRE, PA MSA COUNTY(IES): COLUMBIA, LACKAWANNA, LUZERNE, MONROE, WYOMING	222	269	317	398	444
SHARON, PA MSA COUNTY(IES): MERCER	258	313	369	461	517
STATE COLLEGE, PA MSA COUNTY(IES): CENTRE	311	378	445	556	623
WILLIAMSPORT, PA MSA COUNTY(IES): LYCOMING	235	286	336	420	471
YORK, PA MSA COUNTY(IES): ADAMS, YORK	262	319	375	469	525

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ARMSTRONG	270	328	386	483	541	BEDFORD	219	266	313	391	438
BRADFORD	224	273	321	401	449	BUTLER	269	327	384	481	538
CAMERON	228	277	325	407	456	CLARION	222	270	318	397	445
CLEARFIELD	232	282	332	415	464	CLINTON	228	275	323	403	451
CRAWFORD	230	279	329	411	460	ELK	228	277	325	407	456
FOREST	222	270	318	397	445	FRANKLIN	249	303	356	446	499
FULTON	219	266	313	391	438	GREENE	232	282	332	415	464
HUNTINGDON	219	266	313	391	438	INDIANA	270	328	386	483	541
JEFFERSON	232	282	332	415	464	JUNIATA	225	274	322	403	451
LAWRENCE	230	279	329	411	460	MCKEAN	228	277	325	407	456
MIFFLIN	225	274	328	403	451	MONTOUR	232	282	332	415	464
NORTHUMBRLND	242	282	332	415	464	PIKE	260	304	376	466	507
POTTER	228	277	325	407	456	SCHUYLKILL	252	296	359	434	472
SNYDER	225	274	322	403	451	SULLIVAN	224	273	321	401	449
SUSQUEHANNA	224	273	321	401	449	TIOGA	224	273	321	401	449
UNION	260	305	376	466	507	VENANGO	222	270	318	397	445
WARREN	230	279	329	411	460	WAYNE	250	304	358	448	501

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: RHODE ISLAND	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
FALL RIVER, MA-RI PMSA	315	375	450	520	575
COUNTY: NEWPORT TOWNS OF LITTLE COMPT, TIVERTON					
NEW LONDON-NORWICH, CT-RI MSA	350	425	500	625	700
COUNTY: WASHINGTON TOWNS OF HOPKINTON, WESTERLY					
PAWTUCKET-WOONSOCKET-ATTLEBORO, RI-MA PMSA	280	340	400	500	560
COUNTY: PROVIDENCE TOWNS OF BURRILLVILLE, CENTRAL FALL, CUMBERLAND, LINCOLN, NORTH SMITHF, PAWTUCKET, SMITHFIELD WOONSOCKET					
PROVIDENCE, RI PMSA	300	355	420	525	585
COUNTY: BRISTOL TOWNS OF BARRINGTON, BRISTOL, WARREN					
COUNTY: KENT TOWNS OF COVENTRY, EAST GREENWI, WARWICK, WEST WARWICK					
COUNTY: NEWPORT TOWNS OF JAMESTOWN					
COUNTY: PROVIDENCE TOWNS OF CRANSTON, EAST PROVIDE, FOSTER, GLOCESTER, JOHNSTON, NORTH PROVID, PROVIDENCE, SCITUATE					
COUNTY: WASHINGTON TOWNS OF EXETER, NARRAGANSETT, NORTH KINGST, RICHMOND, SOUTH KINGST					

NONMETROPOLITAN COUNTIES OR PARTS OF COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
KENT COUNTY TOWNS OF WEST GREENWI	293	356	419	523	586
NEWPORT COUNTY TOWNS OF MIDDLETOWN, NEWPORT, PORTSMOUTH	325	385	450	565	630
WASHINGTON COUNTY TOWNS OF CHARLESTOWN, NEW SHOREHAM	293	356	419	523	586

S T A T E: SOUTH CAROLINA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANDERSON, SC MSA	220	267	314	393	440
COUNTY(IES): ANDERSON					
AUGUSTA, GA-SC MSA	254	305	357	446	499
COUNTY(IES): AIKEN					
CHARLESTON, SC MSA	272	331	389	486	545
COUNTY(IES): BERKELEY, CHARLESTON, DORCHESTER					
CHARLOTTE-GASTONIA-ROCK HILL, NC-SC MSA	270	326	381	476	533
COUNTY(IES): YORK					
COLUMBIA, SC MSA	275	335	394	492	551
COUNTY(IES): LEXINGTON, RICHLAND					
FLORENCE, SC MSA	223	271	319	399	447
COUNTY(IES): FLORENCE					
GREENVILLE-SPARTANBURG, SC MSA	241	292	344	430	482
COUNTY(IES): GREENVILLE, PICKENS, SPARTANBURG					

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ABBEVILLE	194	236	279	344	382	ALLENDALE	202	246	289	362	405
BAMBERG	202	246	289	362	405	BARNWELL	202	246	289	362	405
BEAUFORT	250	304	358	447	501	CALHOUN	207	252	299	366	409
CHEROKEE	194	235	277	346	388	CHESTER	194	235	277	346	388
CHESTERFIELD	193	234	275	344	386	CLARENDON	218	264	311	389	436
COLLETON	250	304	358	447	501	DARLINGTON	193	234	275	344	386
DILLON	193	234	275	344	386	EDGEFIELD	190	231	272	340	381
FAIRFIELD	190	231	272	340	381	GEORGETOWN	234	284	334	418	468
GREENWOOD	194	236	279	344	382	HAMPTON	250	304	358	447	501
HORRY	234	284	334	418	468	JASPER	250	304	358	447	501
KERSHAW	218	264	311	389	436	LANCASTER	208	254	300	371	414
LAURENS	194	236	279	344	382	LEE	218	264	311	389	436
MCCORMICK	190	231	272	340	381	MARION	193	234	275	344	386
MARLBORO	193	234	275	344	386	NEWBERRY	190	231	272	340	381
OCONEE	239	291	342	428	479	ORANGEBURG	202	246	289	362	405
SALUDA	190	231	272	340	381	SUMTER	218	264	311	389	436
UNION	194	235	277	346	388	WILLIAMSBURG	234	284	334	418	468

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1 15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: SOUTH DAKOTA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
RAPID CITY, SD MSA COUNTY(IES): PENNINGTON	250	301	350	434	486
SIOUX FALLS, SD MSA COUNTY(IES): MINNEHAHA	264	320	377	471	528

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
AURORA	225	271	317	396	444	BEADLE	225	271	317	394	438
BENNETT	204	248	291	364	408	BON HOMME	222	269	317	396	444
BROOKINGS	220	265	310	385	435	BROWN	240	290	340	425	475
BRULE	222	269	317	396	444	BUFFALO	204	248	291	364	408
BUTTE	243	295	347	434	486	CAMPBELL	204	248	291	364	408
CHARLES MIX	222	269	317	396	444	CLARK	199	239	285	353	392
CLAY	222	269	317	396	444	CODINGTON	220	265	310	385	435
CORSON	204	248	291	364	408	CUSTER	243	295	347	434	486
DAVISON	225	271	317	396	444	DAY	216	263	309	387	433
DEUEL	199	239	285	353	392	DEWEY	204	248	291	364	408
DOUGLAS	222	269	317	396	444	EDMUNDS	216	263	309	387	433
FALL RIVER	243	295	347	434	486	FAULK	216	263	309	387	433
GRANT	220	265	310	385	435	GREGORY	204	248	291	364	408
HAAKON	204	248	291	364	408	HAMLIN	199	239	285	353	392
HAND	225	271	317	394	438	HANSON	225	271	317	396	444
HARDING	243	295	347	434	486	HUGHES	265	325	380	475	530
HUTCHINSON	222	269	317	396	444	HYDE	204	248	291	364	408
JACKSON	204	248	291	364	408	JERAULD	225	271	317	396	444
JONES	204	248	291	364	408	KINGSBURY	193	235	276	346	387
LAKE	193	235	276	346	387	LAWRENCE	249	295	347	434	486
LINCOLN	225	271	317	396	444	LYMAN	204	248	291	364	408
MCCOOK	193	235	276	346	387	MCPHERSON	216	263	309	387	433
MARSHALL	216	263	309	387	433	MEADE	250	301	350	434	486
MELLETTE	204	248	291	364	408	MINER	193	235	276	346	387
MOODY	193	235	276	346	387	PERKINS	204	248	291	364	408
POTTER	204	248	291	364	408	ROBERTS	216	263	309	387	433
SANBORN	225	271	317	396	444	SHANNON	204	248	291	364	408
SPINK	216	263	309	387	433	STANLEY	265	325	380	475	530
SULLY	204	248	291	364	408	TODD	204	248	291	364	408
TRIPP	204	248	291	364	408	TURNER	225	271	317	396	444
UNION	222	269	317	396	444	WALWORTH	204	248	291	364	408
YANKTON	222	269	317	396	444	ZIEBACH	204	248	291	364	408

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: TENNESSEE

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CHATTANOOGA, TN-GA MSA					
COUNTY(IES): HAMILTON, MARION, SEQUATCHIE	270	328	386	483	541
CLARKSVILLE-HOPKINSVILLE, TN-KY MSA					
COUNTY(IES): MONTGOMERY	250	305	360	450	500
JACKSON, TN MSA					
COUNTY(IES): MADISON	245	295	350	435	490
JOHNSON CITY-KINGSPORT-BRISTOL, TN-VA MSA					
COUNTY(IES): CARTER, HAWKINS, SULLIVAN, UNICOI, WASHINGTON	227	275	324	405	454
KNOXVILLE, TN MSA					
COUNTY(IES): ANDERSON, BLOUNT, GRAINGER, JEFFERSON, KNOX, SEVIER, UNION	249	303	356	446	499
MEMPHIS, TN-AR-MS MSA					
COUNTY(IES): SHELBY, TIPTON	245	300	355	440	495
NASHVILLE, TN MSA					
COUNTY(IES): CHEATHAM, DAVIDSON, DICKSON, ROBERTSON, RUTHERFORD, SUMNER, WILLIAMSON, WILSON	296	360	423	529	593

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BEDFORD	213	267	303	378	423	BENTON	200	243	287	358	401
BLEDSOE	222	270	318	397	445	BRADLEY	222	270	318	397	445
CAMPBELL	180	220	260	325	360	CANNON	200	245	290	360	405
CARROLL	200	243	287	358	401	CHESTER	219	266	313	391	438
CLAIBORNE	180	220	260	325	360	CLAY	174	214	253	316	351
COCKE	202	245	288	360	404	COFFEE	213	267	303	378	423
CROCKETT	204	247	291	364	408	CUMBERLAND	200	245	290	360	405
DECATUR	219	266	313	391	438	DE KALB	200	245	290	360	405
DYER	204	247	291	364	408	FAYETTE	209	255	299	374	419
FENTRESS	200	245	290	360	405	FRANKLIN	240	290	340	425	475
GIBSON	204	247	291	364	408	GILES	213	267	303	378	423
GREENE	198	241	283	354	397	GRUNDY	222	270	318	397	445
HAMBLEN	210	255	300	375	420	HANCOCK	198	241	283	354	397
HARDEMAN	219	266	313	391	438	HARDIN	219	266	313	391	438
HAYWOOD	209	261	299	374	419	HENDERSON	219	266	313	391	438
HENRY	200	243	287	358	401	HICKMAN	213	267	303	378	423
HOUSTON	184	224	263	329	368	HUMPHREYS	184	224	263	329	368
JACKSON	174	214	253	316	351	JOHNSON	193	235	276	345	386
LAKE	204	247	291	364	408	LAUDERDALE	209	261	299	374	419
LAWRENCE	213	267	303	378	423	LEWIS	211	257	302	378	423
LINCOLN	240	290	340	425	475	LOUDON	213	261	305	382	427
MCMINN	222	270	318	397	445	MCNAIRY	219	266	313	391	438
MACON	200	245	290	360	405	MARSHALL	213	267	303	378	423
MAURY	213	267	303	378	423	MEIGS	222	270	318	397	445
MONROE	213	261	305	382	427	MOORE	213	267	303	378	423
MORGAN	180	220	260	325	360	OBION	207	255	291	366	408
OVERTON	200	245	290	360	405	PERRY	211	257	302	378	423
PICKETT	200	245	290	360	405	POLK	222	270	318	397	445
PUTNAM	206	250	294	368	412	RHEA	222	270	318	397	445
ROANE	213	261	305	382	427	SCOTT	180	220	260	325	360
SMITH	200	245	290	360	405	STEWART	184	224	263	329	368
TROUSDALE	200	245	290	360	405	VAN BUREN	206	250	294	368	412
WARREN	206	250	294	368	412	WAYNE	211	257	302	378	423
WEAKLEY	200	243	287	358	401	WHITE	206	250	294	368	412

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: TEXAS	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ABILENE, TX MSA COUNTY(IES): TAYLOR	269	327	385	481	539
AMARILLO, TX MSA COUNTY(IES): POTTER, RANDALL	247	301	354	442	495
AUSTIN, TX MSA COUNTY(IES): HAYS, TRAVIS, WILLIAMSON	317	381	448	560	627
BEAUMONT-PORT ARTHUR, TX MSA COUNTY(IES): HARDIN, JEFFERSON, ORANGE	284	345	406	508	569
BRAZORIA, TX PMSA COUNTY(IES): BRAZORIA	314	381	449	561	628
BROWNSVILLE-HARLINGEN, TX MSA COUNTY(IES): CAMERON	252	306	360	450	504
BRYAN-COLLEGE STATION, TX MSA COUNTY(IES): BRAZOS	334	406	477	597	669
CORPUS CHRISTI, TX MSA COUNTY(IES): NUECES, SAN PATRICIO	291	353	416	520	582
DALLAS, TX PMSA COUNTY(IES): COLLIN, DALLAS, DENTON, ELLIS, KAUFMAN, ROCKWALL	285	350	410	515	575
EL PASO, TX MSA COUNTY(IES): EL PASO	249	302	355	444	498
FORT WORTH-ARLINGTON, TX PMSA COUNTY(IES): JOHNSON, PARKER, TARRANT	285	350	410	515	575
GALVESTON-TEXAS CITY, TX PMSA COUNTY(IES): GALVESTON	293	356	419	524	587
HOUSTON, TX PMSA COUNTY(IES): FORT BEND, HARRIS, LIBERTY, MONTGOMERY, WALLER	280	340	400	500	560
KILLEEN-TEMPLE, TX MSA COUNTY(IES): BELL, CORYELL	245	298	351	438	491
LAREDO, TX MSA COUNTY(IES): WEBB	232	282	332	415	465
LONGVIEW-MARSHALL, TX MSA COUNTY(IES): GREGG, HARRISON	280	340	400	500	560
LUBBOCK, TX MSA COUNTY(IES): LUBBOCK	209	262	342	434	479
MC ALLEN-EDINBURG-MISSION, TX MSA COUNTY(IES): HIDALGO	251	305	358	448	502
MIDLAND, TX MSA COUNTY(IES): MIDLAND	322	391	460	576	645
ODESSA, TX MSA COUNTY(IES): ECTOR	320	389	457	572	640
SAN ANGELO, TX MSA COUNTY(IES): TOM GREEN	271	329	388	485	543
SAN ANTONIO, TX MSA COUNTY(IES): BEXAR, COMAL, GUADALUPE	275	330	390	490	545
SHERMAN-DENISON, TX MSA COUNTY(IES): GRAYSON	246	299	352	440	493
TEXARKANA, TX-TEXARKANA, AR MSA COUNTY(IES): BOWIE	227	276	325	406	455
TYLER, TX MSA COUNTY(IES): SMITH	283	344	405	506	567
VICTORIA, TX MSA COUNTY(IES): VICTORIA	346	420	494	618	692
WACO, TX MSA COUNTY(IES): MCLENNAN	235	280	330	409	456
WICHITA FALLS, TX MSA COUNTY(IES): WICHITA	255	310	365	456	511

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ANDERSON	215	261	307	384	430	ANDREWS	184	223	262	328	368
ANGELINA	250	303	357	446	500	ARANSAS	238	289	340	425	476
ARCHER	206	251	295	369	413	ARMSTRONG	224	272	320	400	448
ATASCOSA	221	269	317	396	443	AUSTIN	254	308	363	454	508
BAILEY	208	254	300	371	414	BANDERA	221	269	317	396	443
BASTROP	219	266	313	392	439	BAYLOR	206	251	295	369	413
BEE	238	289	340	425	476	BLANCO	203	247	290	363	407
BORDEN	203	247	290	363	406	BOSQUE	189	230	270	338	378
BREWSTER	184	223	262	328	368	BRISCOE	224	272	320	400	448
BROOKS	238	289	340	425	476	BROWN	208	254	300	371	414
BURLESON	221	268	315	394	441	BURNET	203	247	290	363	407
CALDWELL	219	266	313	392	439	CALHOUN	232	282	332	415	465
CALLAHAN	213	259	304	380	426	CAMP	198	240	283	353	396
CARSON	224	272	320	400	448	CASS	227	276	324	406	454
CASTRO	224	272	320	400	448	CHAMBERS	263	319	375	469	525
CHEROKEE	215	261	307	384	430	CHILDRESS	206	251	295	369	413
CLAY	206	251	295	369	413	COCHRAN	208	254	300	371	414

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
STATE: TEXAS

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
COKE	193	235	276	345	386
COLLINGSWORT	224	272	320	400	448
COMANCHE	213	259	304	380	426
COOKE	237	287	338	423	474
CRANE	184	223	262	328	368
CROSBY	208	254	300	371	414
DALLAM	224	272	320	400	448
DEAF SMITH	224	272	320	400	448
DE WITT	232	282	332	415	465
DIMMIT	200	243	286	357	400
DUVAL	238	289	340	425	476
EDWARDS	205	251	294	362	402
FALLS	189	230	270	338	378
FAYETTE	219	266	313	392	439
FLOYD	208	254	300	371	414
FRANKLIN	227	276	324	406	454
FRIO	221	269	317	396	443
GARZA	208	254	300	371	414
GLASSCOCK	203	247	290	363	406
GONZALES	232	282	332	415	465
GRIMES	221	268	315	394	441
HALL	224	272	320	400	448
HANSFORD	224	272	320	400	448
HARTLEY	224	272	320	400	448
HEMPHILL	224	272	320	400	448
HILL	235	281	330	413	462
HOOD	254	308	363	454	508
HOUSTON	223	271	319	399	447
HUDSPETH	184	223	262	328	368
HUTCHINSON	224	272	320	400	448
JACK	206	251	295	369	413
JASPER	238	289	340	425	476
JIM HOGG	226	274	323	404	452
JONES	213	259	304	380	426
KENDALL	221	269	317	396	443
KENT	213	259	304	380	426
KIMBLE	193	235	276	345	386
KINNEY	205	251	294	362	402
KNOX	208	254	300	371	414
LAMB	208	254	300	371	414
LA SALLE	200	243	286	357	400
LEE	219	266	313	392	439
LIMESTONE	189	230	270	338	378
LIVE OAK	238	289	340	425	476
LOVING	184	223	262	328	368
MCCULLOCH	193	235	276	345	386
MADISON	228	276	325	406	455
MARTIN	203	247	290	363	406
MATAGORDA	254	308	363	454	508
MEDINA	221	269	317	396	443
MILAM	219	266	313	392	439
MITCHELL	213	259	304	380	426
MOORE	224	272	320	400	448
MOTLEY	208	254	300	371	414
NAVARRO	189	230	270	338	378
NOLAN	213	259	304	380	426
OLDHAM	224	272	320	400	448
PANOLA	215	261	307	384	430
PECOS	184	223	262	328	368
PRESIDIO	184	223	262	328	368
REAGAN	193	235	276	345	386
RED RIVER	227	276	324	406	454
REFUGIO	238	289	340	425	476
ROBERTSON	221	268	315	394	441
RUSK	215	261	307	384	430
SAN AUGUSTIN	197	240	282	353	395
SAN SABA	208	254	300	371	414
SCURRY	213	259	304	380	426
SHELBY	197	240	282	353	395
SOMERVELL	189	230	270	338	378
STEPHENS	213	259	304	380	426
STONEWALL	213	259	304	380	426
SWISHER	224	272	320	400	448
TERRY	208	254	300	371	414
TITUS	227	276	324	406	454
COLEMAN	208	254	300	371	414
COLORADO	254	308	363	454	508
CONCHO	193	235	276	345	386
COTTLE	206	251	295	369	413
CROCKETT	193	235	276	345	386
CULBERSON	184	223	262	328	368
DAWSON	203	247	290	363	406
DELTA	227	276	324	406	454
DICKENS	208	254	300	371	414
DONLEY	224	272	320	400	448
EASTLAND	213	259	304	380	426
ERATH	213	259	304	380	426
FANNIN	237	287	338	423	474
FISHER	213	259	304	380	426
FOARD	206	251	295	369	413
FREESTONE	189	230	270	338	378
GAINES	184	223	262	328	368
GILLESPIE	221	269	317	396	443
GOLIAD	232	282	332	415	465
GRAY	224	272	320	400	448
HALE	208	254	300	371	414
HAMILTON	203	247	290	363	407
HARDEMAN	206	251	295	369	413
HASKELL	213	259	304	380	426
HENDERSON	215	261	307	384	430
HOCKLEY	206	251	295	369	413
HOPKINS	227	276	324	406	454
HOWARD	203	247	290	363	406
HUNT	237	287	338	423	474
IRION	193	235	276	345	386
JACKSON	232	282	332	415	465
JEFF DAVIS	184	223	262	328	368
JIM WELLS	238	289	340	425	476
KARNES	182	221	260	325	364
KENEDY	238	289	340	425	476
KERR	221	269	317	396	443
KING	208	254	300	371	414
KLEBERG	238	289	340	425	476
LAMAR	227	276	324	406	454
LAMPASAS	203	247	290	363	407
LAUACA	232	282	332	415	465
LEON	228	276	325	406	455
LIPSCOMB	224	272	320	400	448
LLANO	203	247	290	363	407
LYNN	208	254	300	371	414
MCMULLEN	238	289	340	425	476
MARION	198	240	283	353	396
MASON	193	235	276	345	386
MAVERICK	205	251	294	362	402
MENARD	193	235	276	345	386
MILLS	208	254	300	371	414
MONTAGUE	206	251	295	369	413
MORRIS	227	276	324	406	454
NACOGDOCHES	250	303	357	446	500
NEWTON	238	289	340	425	476
OCHILTREE	224	272	320	400	448
PALO PINTO	213	259	304	380	426
PARMER	224	272	320	400	448
POLK	250	303	357	446	500
RAINS	204	250	292	361	398
REAL	205	251	294	362	402
REEVES	184	223	262	328	368
ROBERTS	224	272	320	400	448
RUNNELS	208	254	300	371	414
SABINE	197	240	282	353	395
SAN JACINTO	250	303	357	446	500
SCHLEICHER	193	235	276	345	386
SHACKLEFORD	213	259	304	380	426
SHERMAN	224	272	320	400	448
STARR	197	239	281	351	393
STERLING	193	235	276	345	386
SUTTON	193	235	276	345	386
TERRELL	184	223	262	328	368
THROCKMORTON	213	259	304	380	426
TRINITY	228	286	337	421	472

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS
STATE: TEXAS

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
TYLER	228	276	325	406	455	UPSHUR	198	240	283	353	396
UPTON	203	247	290	363	406	UVALDE	205	251	294	362	402
VAL VERDE	205	251	294	362	402	VAN ZANDT	204	250	292	361	398
WALKER	259	315	371	464	519	WARD	184	223	262	328	368
WASHINGTON	228	276	325	406	455	WHARTON	254	308	363	454	508
WHEELER	224	272	320	400	448	WILBARGER	206	251	295	369	413
WILLACY	238	289	340	425	476	WILSON	182	221	260	325	364
WINKLER	184	223	262	328	368	WISE	254	308	363	454	508
WOOD	198	240	283	353	396	YOAKUM	208	254	300	371	414
YOUNG	206	251	295	369	413	ZAPATA	197	239	281	351	393
ZAVALA	205	251	294	362	402						

S T A T E: UTAH

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
PROVO-OREM, UT MSA	251	305	358	448	502
COUNTY(IES): UTAH					
SALT LAKE CITY-OGDEN, UT MSA	293	350	415	515	580
COUNTY(IES): DAVIS, SALT LAKE, WEBER					

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BEAVER	274	333	392	490	549	BOX ELDER	253	307	362	452	507
CACHE	253	307	362	452	507	CARBON	313	380	447	559	626
DAGGETT	313	380	447	559	626	DUCHESNE	313	380	447	559	626
EMERY	313	380	447	559	626	GARFIELD	274	333	392	490	549
GRAND	313	380	447	559	626	IRON	274	333	392	490	549
JUAB	274	333	392	490	549	KANE	274	333	392	490	549
MILLARD	274	333	392	490	549	MORGAN	313	380	447	559	626
PIUTE	274	333	392	490	549	RICH	253	307	362	452	507
SAN JUAN	313	380	447	559	626	SANPETE	274	333	392	490	549
SEVIER	274	333	392	490	549	SUMMIT	313	380	447	559	626
TOOELE	253	307	362	452	507	UINTAH	313	380	447	559	626
WASATCH	313	380	447	559	626	WASHINGTON	300	360	425	530	595
WAYNE	274	333	392	490	549						

S T A T E: VERMONT

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BURLINGTON, VT MSA	350	425	500	625	700
COUNTY: CHITTENDEN TOWNS OF BURLINGTON, CHARLOTTE, COLCHESTER, ESSEX, HINESBURG, JERICHO, MILTON, RICHMOND, ST. GEORGE SHELBURNE, SOUTH BURLIN, WILLISTON, WINOOSKI					
COUNTY: FRANKLIN TOWNS OF GEORGIA					
COUNTY: GRAND ISLE TOWNS OF GRAND ISLE, SOUTH HERO					

NONMETROPOLITAN COUNTIES OR PARTS OF COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADDISON COUNTY	280	340	400	500	560
BENNINGTON COUNTY	285	350	410	510	575
CALEDONIA COUNTY	239	290	341	426	478
CHITTENDEN COUNTY TOWNS OF BOLTON, BUELS, HUNTINGTON, UNDERHILL WESTFORD	324	394	464	580	649
ESSEX COUNTY	239	290	341	426	478
FRANKLIN COUNTY TOWNS OF BAKERSFIELD, BERKSHIRE, ENOSBURG, FAIRFAX FAIRFIELD, FLETCHER, FRANKLIN, HIGHGATE, MONTGOMERY, RICHFORD, ST. ALBANS, ST. ALBANS, SHELDON, SWANTON	260	315	370	460	515
GRAND ISLE COUNTY TOWNS OF ALBURG, ISLE LA MOTT, NORTH HERO	239	290	341	426	478
LAMOILLE COUNTY	239	290	341	426	478
ORANGE COUNTY	260	315	370	460	515
ORLEANS COUNTY	239	290	341	426	478
RUTLAND COUNTY	271	329	388	485	543
WASHINGTON COUNTY	285	350	410	510	575
WINDHAM COUNTY	271	329	388	485	543
WINDSOR COUNTY	271	329	388	485	543

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

S T A T E: VIRGINIA

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CHARLOTTESVILLE, VA MSA					
COUNTY(IES): ALBEMARLE, FLUVANNA, GREENE, CHARLOTTESVI	314	382	449	562	629
DANVILLE, VA MSA					
COUNTY(IES): PITTSYLVANIA, DANVILLE	240	292	343	429	480
JOHNSON CITY-KINGSPORT-BRISTOL, TN-VA MSA					
COUNTY(IES): SCOTT, WASHINGTON, BRISTOL	227	275	324	405	454
LYNCHBURG, VA MSA					
COUNTY(IES): AMHERST, CAMPBELL, LYNCHBURG	259	322	370	452	518
NORFOLK-VIRGINIA BEACH-NEWPORT NEWS, VA MSA					
COUNTY(IES): GLOUCESTER, JAMES CITY, YORK, CHESAPEAKE, HAMPTON, NEWPORT NEWS, NORFOLK, POQUOSON, PORTSMOUTH, SUFFOLK VIRGINIA BEA, WILLIAMSBURG	301	361	415	511	572
RICHMOND-PETERSBURG, VA MSA					
COUNTY(IES): CHARLES CITY, CHESTERFIELD, DINWIDDIE, GOOCHLAND, HANOVER, HENRICO, NEW KENT, POWHATAN, PRINCEGEORGE COLONIAL HEI, HOPEWELL, PETERSBURG, RICHMOND	287	345	404	505	566
ROANOKE, VA MSA					
COUNTY(IES): BOTETOURT, ROANOKE, ROANOKE, SALEM	252	306	360	451	505
WASHINGTON, DC-MD-VA MSA					
COUNTY(IES): ARLINGTON, FAIRFAX, LOUDOUN, PRINCEWILLIA, STAFFORD, ALEXANDRIA, FAIRFAX, FALLS CHURCH, MANASSAS MANASSAS PRK	370	450	530	665	745

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ACCOMACK	238	286	333	411	459
AMELIA	208	252	297	371	416
AUGUSTA	251	305	359	449	503
BEDFORD	217	264	311	388	435
BRUNSWICK	197	239	281	352	394
BUCKINGHAM	208	252	297	371	416
CARROLL	212	257	303	379	424
CLARKE	252	306	360	451	505
CULPEPER	262	318	374	468	524
DICKENSON	225	261	308	385	431
FAUQUIER	262	318	374	468	524
FRANKLIN	217	264	311	388	435
GILES	250	304	357	447	500
GREENSVILLE	197	239	281	352	394
HENRY	252	306	360	450	504
ISLE OFWIGHT	203	247	287	359	394
KING GEORGE	297	361	424	530	594
LANCASTER	229	279	328	410	459
LOUISA	266	321	374	468	524
MADISON	266	321	374	468	524
MECKLENBURG	197	239	281	352	394
MONTGOMERY	305	370	435	545	609
NORTHAMPTON	238	286	333	411	459
NOTTOWAY	208	252	297	371	416
PAGE	252	306	360	451	505
PRINCEEDWARD	208	252	297	371	416
RAPPAHANNOCK	262	318	374	468	524
ROCKBRIDGE	251	305	359	449	503
RUSSELL	240	292	343	429	481
SMYTH	212	257	303	379	424
SPOTSLYVANIA	297	361	424	530	594
SUSSEX	197	239	281	352	394
WARREN	252	306	360	451	505
WISE	242	293	345	431	483
BEDFORD	217	264	311	388	435
CLIFTON FORG	251	305	359	449	503
EMPORIA	197	239	281	352	394
FREDERICKBUR	297	361	424	530	594
HARRISONBURG	251	305	359	449	503
MARTINSVILLE	252	306	360	450	504
RADFORD	305	370	435	545	609
STAUNTON	251	305	359	449	503
WINCHESTER	252	306	360	451	505

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALLEGHANY	251	305	359	449	503
APPOMATTOX	254	305	357	447	500
BATH	251	305	359	449	503
BLAND	212	257	303	379	424
BUCHANAN	240	292	343	429	481
CAROLINE	297	361	424	530	594
CHARLOTTE	208	252	297	371	416
CRAIG	197	239	281	351	393
CUMBERLAND	208	252	297	371	416
ESSEX	229	279	328	410	459
FLOYD	250	304	357	447	500
FREDERICK	252	306	360	451	505
GRAYSON	212	257	303	379	424
HALIFAX	208	252	297	371	416
HIGHLAND	251	305	359	449	503
KING + QUEEN	229	279	328	410	459
KING WILLIAM	229	279	328	410	459
LEE	215	261	308	385	431
LUNENBURG	208	252	297	371	416
MATHEWS	229	279	328	410	459
MIDDLESEX	229	279	328	410	459
NELSON	221	268	315	394	441
NORTHUMBERLD	229	279	328	410	459
ORANGE	266	321	374	468	524
PATRICK	217	264	311	388	435
PULASKI	250	304	357	447	500
RICHMOND	229	279	328	410	459
ROCKINGHAM	251	305	359	449	503
SHENANDOAH	252	306	360	451	505
SOUTHAMPTON	203	247	287	359	394
SURRY	203	247	287	359	394
TAZEWELL	240	292	343	429	481
WESTMORELAND	229	279	328	410	459
WYTHE	231	280	325	402	448
BUENA VISTA	251	305	359	449	503
COVINGTON	251	305	359	449	503
FRANKLIN	197	239	281	352	394
GALAX	212	257	303	379	424
LEXINGTON	251	305	359	449	503
NORTON	241	292	344	430	482
SOUTH BOSTON	208	252	297	371	416
WAYNESBORO	251	305	359	449	503

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: WASHINGTON	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BELLINGHAM, WA MSA COUNTY(IES): WHATCOM	303	368	433	552	607
BREMERTON, WA MSA COUNTY(IES): KITSAP	304	370	435	544	609
OLYMPIA, WA MSA COUNTY(IES): THURSTON	315	382	450	563	630
RICHLAND-KENNEWICK-PASCO, WA MSA COUNTY(IES): BENTON, FRANKLIN	355	432	508	635	711
SEATTLE, WA PMSA COUNTY(IES): KING, SNOHOMISH	325	395	460	595	655
SPOKANE, WA MSA COUNTY(IES): SPOKANE	266	315	371	474	525
TACOMA, WA PMSA COUNTY(IES): PIERCE	280	340	400	520	579
VANCOUVER, WA PMSA COUNTY(IES): CLARK	251	305	359	450	510
YAKIMA, WA MSA COUNTY(IES): YAKIMA	277	336	395	494	554

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	226	274	322	403	452	ASOTIN	292	354	417	521	584
CHELAN	272	330	390	485	545	CLALLAM	294	357	420	525	588
COLUMBIA	292	354	417	521	584	COWLITZ	273	332	390	488	547
DOUGLAS	272	330	390	485	545	FERRY	226	274	322	403	452
GARFIELD	292	354	417	521	584	GRANT	226	274	322	403	452
GRAYS HARBOR	294	357	420	525	588	ISLAND	300	364	428	536	600
JEFFERSON	294	357	420	525	588	KITTITAS	249	302	356	445	498
KLICKITAT	273	332	390	488	547	LEWIS	273	332	390	488	547
LINCOLN	226	274	322	403	452	MASON	294	357	420	525	588
OKANOGAN	249	302	356	445	498	PACIFIC	294	357	420	525	588
PEND OREILLE	226	274	322	403	452	SAN JUAN	300	364	428	536	600
SKAGIT	300	364	428	536	600	SKAMANIA	273	332	390	488	547
STEVENS	226	274	322	403	452	WAHKIAKUM	273	332	390	488	547
WALLA WALLA	292	354	417	521	584	WHITMAN	292	354	417	521	584

STATE: WEST VIRGINIA	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CHARLESTON, WV MSA COUNTY(IES): KANAWHA, PUTNAM	325	394	464	580	650
CUMBERLAND, MD-WV MSA COUNTY(IES): MINERAL	245	290	340	420	470
HUNTINGTON-ASHLAND, WV-KY-OH MSA COUNTY(IES): CABELL WAYNE	266	323	380	475	533
PARKERSBURG-MARIETTA, WV-OH MSA COUNTY(IES): WOOD	247	300	353	442	495
STEUBENVILLE-WEIRTON, OH-WV MSA COUNTY(IES): BROOKE, HANCOCK	254	308	362	453	508
WHEELING, WV-OH MSA COUNTY(IES): MARSHALL, OHIO	250	304	358	448	501

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
BARBOUR	204	248	292	365	409	BERKELEY	224	272	320	400	448
BOONE	232	281	331	414	463	BRAXTON	204	248	292	365	409
CALHOUN	270	315	365	475	523	CLAY	232	281	331	414	463
DODDRIDGE	228	277	326	407	456	FAYETTE	214	260	306	382	428
GILMER	248	297	360	447	491	GRANT	224	272	320	400	448
GREENBRIER	214	260	306	382	428	HAMPSHIRE	224	272	320	400	448
HARDY	224	272	320	400	448	HARRISON	228	277	326	407	456
JACKSON	270	315	365	475	523	JEFFERSON	224	272	320	400	448
LEWIS	204	248	292	365	409	LINCOLN	225	272	320	400	448
LOGAN	225	272	320	400	448	MCDOWELL	217	264	310	388	435
MARION	275	334	393	491	550	MASON	225	272	320	400	448
MERCER	220	268	315	394	441	MINGO	225	272	320	400	448
MONONGALIA	275	334	393	491	550	MONROE	225	270	315	394	441
MORGAN	224	272	320	400	448	NICHOLAS	214	260	306	382	428
PENDLETON	224	272	320	400	448	PLEASANTS	197	239	281	351	393
POCAHONTAS	214	260	306	382	428	PRESTON	275	334	393	491	550
RALEIGH	225	270	311	388	435	RANDOLPH	204	248	292	365	409
RITCHIE	197	239	281	351	393	ROANE	270	315	365	475	523
SUMMERS	225	270	315	394	441	TAYLOR	228	277	326	407	456
TUCKER	204	248	292	365	409	TYLER	197	239	281	351	393
UPSHUR	204	248	292	365	409	WEBSTER	214	260	306	382	428
WETZEL	236	286	337	421	472	WIRT	197	239	281	351	393
WYOMING	225	270	311	388	435						

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: WISCONSIN

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
APPLETON-OSHKOSH-NEENAH, WI MSA					
COUNTY(IES): CALUMET, OUTAGAMIE, WINNEBAGO	246	299	352	440	493
DULUTH, MN-WI MSA					
COUNTY(IES): DOUGLAS	270	322	379	474	531
EAU CLAIRE, WI MSA					
COUNTY(IES): CHIPPEWA, EAU CLAIRE	244	297	349	437	489
GREEN BAY, WI MSA					
COUNTY(IES): BROWN	246	299	354	440	493
JANESVILLE-BELOIT, WI MSA					
COUNTY(IES): ROCK	272	331	389	487	545
KENOSHA, WI PMSA					
COUNTY(IES): KENOSHA	284	345	406	508	569
LA CROSSE, WI MSA					
COUNTY(IES): LA CROSSE	290	352	415	519	581
MADISON, WI MSA					
COUNTY(IES): DANE	280	340	400	505	565
MILWAUKEE, WI PMSA					
COUNTY(IES): MILWAUKEE, OZAUKEE, WASHINGTON, WAUKESHA	296	359	423	528	592
MINNEAPOLIS-ST. PAUL, MN-WI MSA					
COUNTY(IES): ST CROIX	335	405	480	600	670
RACINE, WI PMSA					
COUNTY(IES): RACINE	281	341	401	502	562
SHEBOYGAN, WI MSA					
COUNTY(IES): SHEBOYGAN	252	306	360	450	504
WAUSAU, WI MSA					
COUNTY(IES): MARATHON	246	299	352	440	493

NONMETROPOLITAN COUNTIES

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ADAMS	251	304	358	448	502
BARRON	239	290	342	427	479
BUFFALO	227	275	324	405	454
CLARK	239	290	342	427	479
CRAWFORD	216	263	309	386	433
DOOR	226	272	319	394	440
FLORENCE	216	263	309	386	433
FOREST	234	284	334	418	468
GREEN	234	284	332	412	457
IOWA	226	274	322	403	452
JACKSON	227	275	324	405	454
JUNEAU	251	304	358	448	502
LAFAYETTE	226	274	322	403	452
LINCOLN	234	284	334	418	468
MARINETTE	220	265	311	388	433
MENOMINEE	220	268	315	394	441
OCONTO	216	263	309	386	433
PEPIN	227	275	324	405	454
POLK	239	290	342	427	479
PRICE	220	268	315	394	441
RUSK	220	268	315	394	441
SAWYER	220	268	315	394	441
TAYLOR	220	268	315	394	441
VERNON	216	263	309	386	433
WALWORTH	262	318	375	468	525
WAUPACA	220	268	315	394	441
WOOD	251	304	358	448	502

	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ASHLAND	220	268	315	394	441
BAYFIELD	220	268	315	394	441
BURNETT	220	268	315	394	441
COLUMBIA	229	278	327	409	458
DODGE	229	278	327	409	458
DUNN	239	290	342	427	479
FOND DU LAC	270	325	370	460	502
GRANT	226	274	322	403	452
GREEN LAKE	246	299	352	440	493
IRON	220	268	315	394	441
JEFFERSON	262	318	375	468	525
KEWAUNEE	226	272	319	394	440
LANGLADE	234	284	334	418	468
MANITOWOC	226	272	319	394	440
MARQUETTE	220	268	315	394	441
MONROE	227	275	324	405	454
ONEIDA	234	284	334	418	468
PIERCE	227	275	324	405	454
PORTAGE	251	304	358	448	502
RICHLAND	226	274	322	403	452
SAUK	229	278	327	409	458
SHAWANO	220	268	315	394	441
TREMPEALEAU	227	275	324	405	454
VILAS	234	284	334	418	468
WASHBURN	220	268	315	394	441
WAUSHARA	220	268	315	394	441

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE B - FAIR MARKET RENTS FOR EXISTING HOUSING (INCLUDING HOUSING FINANCE AND DEVELOPMENT AGENCIES PROGRAM) 072586
FINAL FMRS

STATE: WYOMING	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
CASPER, WY MSA					
COUNTY(IES): NATRONA	350	425	500	625	700
CHEYENNE, WY MSA					
COUNTY(IES): LARAMIE	290	350	415	520	580

NONMETROPOLITAN COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS		0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALBANY	225	275	325	405	450	BIG HORN	230	280	330	410	460
CAMPBELL	225	275	325	405	450	CARBON	225	275	325	405	450
CONVERSE	225	275	325	405	450	CROOK	225	280	330	410	460
FREMONT	225	275	325	405	450	GOSHEN	225	275	325	405	450
HOT SPRINGS	230	280	330	410	460	JOHNSON	225	275	325	405	450
LINCOLN	225	275	325	405	450	NIOBRARA	225	275	325	405	450
PARK	230	280	330	410	460	PLATTE	225	275	325	405	450
SHERIDAN	310	380	445	555	625	SUBLETTE	225	275	325	405	450
SWEETWATER	225	275	325	405	450	TETON	295	355	420	525	590
UINTA	225	275	325	405	450	WASHAKIE	230	280	330	410	460
WESTON	230	280	330	410	460						

STATE: GUAM	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
NONMETROPOLITAN COUNTIES					
GUAM	365	440	520	650	730

STATE: PUERTO RICO	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
AGUADILLA, PR MSA					
COUNTY(IES): AGUADELLA	225	275	325	405	455
ARECIBO, PR MSA					
COUNTY(IES): ARECIBO	330	400	470	590	660
CAGUAS, PR PMSA					
COUNTY(IES): CAGUAS	275	330	390	490	545
MAYAGUEZ, PR MSA					
COUNTY(IES): MAYAGUEZ	225	275	325	405	455
PONCE, PR MSA					
COUNTY(IES) PONCE	320	390	460	575	645
SAN JUAN, PR PMSA					
COUNTY(IES): SAN JUAN	320	390	460	575	645

NONMETROPOLITAN COUNTIES	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
ALL OTHER	215	265	310	390	435

STATE: VIRGIN ISLANDS	0 BEDROOMS	1 BEDROOM	2 BEDROOMS	3 BEDROOMS	4 BEDROOMS
NONMETROPOLITAN COUNTIES					
-CHAR.AMALIE	355	435	510	640	715
ST CROIX	300	365	430	540	600

NOTE: THE FMRS FOR UNIT SIZES LARGER THAN FOUR-BEDROOMS ARE CALCULATED BY ADDING 15 PERCENT TO THE FOUR-BEDROOM FMR FOR EACH ADDITIONAL BEDROOM. TO ILLUSTRATE, THE FMR FOR A FIVE-BEDROOM UNIT IS 1.15 TIMES THE FOUR-BEDROOM FMR, AND THE CALCULATION OF THE FMR FOR A SIX-BEDROOM UNIT IS 1.30 TIMES THE FOUR-BEDROOM FMR, ETC.

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
NON METRO STATE: ALABAMA	62	70
MSA: ANNISTON, AL	65	71
MSA: BIRMINGHAM, AL	90	99
MSA: COLUMBUS, GA-AL	82	90
MSA: DOTHAN, AL	60	68
MSA: FLORENCE, AL	71	77
MSA: GADSDEN, AL	65	71
MSA: HUNTSVILLE, AL	90	99
MSA: MOBILE, AL	72	78
MSA: MONTGOMERY, AL	72	77
MSA: TUSCALOOSA, AL	84	95
EXCEPTION COUNTY: LIMESTONE	81	89
EXCEPTION COUNTY: MARSHALL	81	89
NON METRO STATE: ALASKA	202	202
MSA: ANCHORAGE, AK	224	224
EXCEPTION COUNTY: KETCHIKAN	202	214
NON METRO STATE: ARIZONA	83	106
MSA: PHOENIX, AZ	115	137
MSA: TUCSON, AZ	83	115
NON METRO STATE: ARKANSAS	36	40
MSA: FAYETTEVILLE-SPRINGDALE, AR	57	61
MSA: FORT SMITH, AR-OK	33	36
MSA: LITTLE ROCK-NORTH LITTLE ROCK, AR	48	50
MSA: MEMPHIS, TN-AR-MS	83	83
MSA: PINE BLUFF, AR	26	28
MSA: TEXARKANA, TX-TEXARKANA, AR	98	110
EXCEPTION COUNTY: BENTON	53	55
EXCEPTION COUNTY: LITTLE RIVER	88	99
NON METRO STATE: CALIFORNIA	130	170
PMSA: ANAHEIM-SANTA ANA, CA	295	295
MSA: BAKERSFIELD, CA	122	185
MSA: CHICO, CA	130	170
MSA: FRESNO, CA	185	208
PMSA: LOS ANGELES-LONG BEACH, CA	144	240
MSA: MODESTO, CA	193	208
PMSA: OAKLAND, CA	199	260
PMSA: OXNARD-VENTURA, CA	160	278

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
MSA: REDDING, CA	130	170
PMSA: RIVERSIDE-SAN BERNARDINO, CA	122	193
MSA: SACRAMENTO, CA	149	178
MSA: SALINAS-SEASIDE-MONTEREY, CA	185	232
MSA: SAN DIEGO, CA	185	232
PMSA: SAN FRANCISCO, CA	214	278
PMSA: SAN JOSE, CA	253	295
MSA: SANTA BARBARA-SANTA MARIA-LOMPOC, CA	153	232
PMSA: SANTA CRUZ, CA	185	232
PMSA: SANTA ROSA-PETALUMA, CA	185	223
MSA: STOCKTON, CA	193	208
PMSA: VALLEJO-FAIRFIELD-NAPA, CA	194	220
MSA: VISALIA-TULARE-PORTERVILLE, CA	130	170
MSA: YUBA CITY, CA	130	170
EXCEPTION COUNTY: SAN LUIS OBI	177	208
NON METRO STATE: COLORADO	N/A	N/A
PMSA: BOULDER-LONGMONT, CO	186	214
MSA: COLORADO SPRINGS, CO	122	137
PMSA: DENVER, CO	199	229
MSA: FORT COLLINS-LOVELAND, CO	115	130
MSA: GREELEY, CO	115	130
MSA: PUEBLO, CO	115	130
EXCEPTION COUNTY: ALAMOSA	97	115
EXCEPTION COUNTY: ARCHULETA	115	130
EXCEPTION COUNTY: BACA	97	115
EXCEPTION COUNTY: BENT	97	115
EXCEPTION COUNTY: CHAFFEE	115	130
EXCEPTION COUNTY: CHEYENNE	97	115
EXCEPTION COUNTY: CLEAR CREEK	115	130
EXCEPTION COUNTY: CONEJOS	97	115
EXCEPTION COUNTY: COSTILLA	97	115
EXCEPTION COUNTY: CROWLEY	97	115
EXCEPTION COUNTY: CUSTER	115	130
EXCEPTION COUNTY: DELTA	115	130
EXCEPTION COUNTY: DELORES	115	130
EXCEPTION COUNTY: EAGLE	186	208
EXCEPTION COUNTY: ELBERT	97	115
EXCEPTION COUNTY: FREMONT	115	130
EXCEPTION COUNTY: GARFIELD	186	208
EXCEPTION COUNTY: GILPIN	164	189
EXCEPTION COUNTY: GRAND	115	130
EXCEPTION COUNTY: GUNNISON	115	130
EXCEPTION COUNTY: HINSDALE	115	130
EXCEPTION COUNTY: HUERFANO	97	115

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
EXCEPTION COUNTY: JACKSON	115	130
EXCEPTION COUNTY: KIOWA	97	115
EXCEPTION COUNTY: KIT CARSON	97	115
EXCEPTION COUNTY: LAKE	115	130
EXCEPTION COUNTY: LA PLATA	115	130
EXCEPTION COUNTY: LAS ANIMAS	97	115
EXCEPTION COUNTY: LINCOLN	97	115
EXCEPTION COUNTY: LOGAN	97	115
EXCEPTION COUNTY: MESA	115	130
EXCEPTION COUNTY: MINERAL	97	115
EXCEPTION COUNTY: MOFFAT	186	208
EXCEPTION COUNTY: MONTEZUMA	115	130
EXCEPTION COUNTY: MONTROSE	115	130
EXCEPTION COUNTY: MORGAN	97	115
EXCEPTION COUNTY: OTERO	97	115
EXCEPTION COUNTY: OURAY	115	130
EXCEPTION COUNTY: PARK	115	130
EXCEPTION COUNTY: PHILLIPS	97	115
EXCEPTION COUNTY: PITKIN	186	208
EXCEPTION COUNTY: PROWERS	97	115
EXCEPTION COUNTY: RIO BLANCO	186	208
EXCEPTION COUNTY: RIO GRANDE	97	115
EXCEPTION COUNTY: ROUTT	186	208
EXCEPTION COUNTY: SAGUACHE	97	115
EXCEPTION COUNTY: SAN JUAN	115	130
EXCEPTION COUNTY: SAN MIGUEL	115	130
EXCEPTION COUNTY: SEDGWICK	97	115
EXCEPTION COUNTY: SUMMIT	186	208
EXCEPTION COUNTY: TELLER	101	115
EXCEPTION COUNTY: WASHINGTON	97	115
EXCEPTION COUNTY: YUMA	97	115
NON METRO STATE: CONNECTICUT	113	113
PMSA: BRIDGEPORT-MILFORD, CT	141	141
PMSA: BRISTOL, CT	113	113
PMSA: DANBURY, CT	108	108
PMSA: HARTFORD, CT	123	123
PMSA: MIDDLETOWN, CT	123	123
PMSA: NEW BRITAIN, CT	123	123
MSA: NEW HAVEN-MERIDEN, CT	110	110
MSA: NEW LONDON-NORWICH, CT-RI	105	105
PMSA: NORWALK, CT	132	132
PMSA: STAMFORD, CT	132	132
MSA: WATERBURY, CT	113	113
NON METRO STATE: DELAWARE	63	63

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
PMSA: WILMINGTON, DE-NJ-MD	103	103
NON METRO STATE: DIST. OF COLUMBIA	143	143
MSA: WASHINGTON, DC-MD-VA	143	143
NON METRO STATE: FLORIDA	77	77
MSA: BRADENTON, FL	110	110
MSA: DAYTONA BEACH, FL	98	98
PMSA: FORT LAUDERDALE-HOLLYWOOD-POMPANO BEACH, FL	164	164
MSA: FORT MYERS-CAPE CORAL, FL	103	103
MSA: FORT PIERCE, FL	75	75
MSA: FORT WALTON BEACH, FL	77	77
MSA: GAINESVILLE, FL	77	77
MSA: JACKSONVILLE, FL	71	83
MSA: LAKELAND-WINTER HAVEN, FL	77	77
MSA: MELBOURNE-TITUSVILLE-PALM BAY, FL	90	90
PMSA: MIAMI-HIALEAH, FL	130	130
MSA: NAPLES, FL	77	77
MSA: OCALA, FL	77	77
MSA: ORLANDO, FL	90	90
MSA: PANAMA CITY, FL	77	77
MSA: PENSACOLA, FL	77	77
MSA: SARASOTA, FL	103	103
MSA: TALLAHASSEE, FL	71	71
MSA: TAMPA-ST. PETERSBURG-CLEARWATER, FL	103	103
MSA: WEST PALM BEACH-BOCA RATON-DELRAY BEACH, FL	130	130
EXCEPTION COUNTY: BAKER	69	81
EXCEPTION COUNTY: WAKULLA	69	81
NON METRO STATE: GEORGIA	56	56
MSA: ALBANY, GA	49	52
MSA: ATHENS, GA	56	56
MSA: ATLANTA, GA	81	87
MSA: AUGUSTA, GA-SC	75	77
MSA: CHATTANOOGA, TN-GA	49	71
MSA: COLUMBUS, GA-AL	82	90
MSA: MACON-WARNER ROBINS, GA	50	55
MSA: SAVANNAH, GA	63	71
EXCEPTION COUNTY: BRYAN	57	64
EXCEPTION COUNTY: TWIGGS	49	54
NON METRO STATE: HAWAII	N/A	N/A

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
MSA: HONOLULU, HI	N/A	N/A
NON METRO STATE: IDAHO	97	97
MSA: BOISE CITY, ID	104	121
NON METRO STATE: ILLINOIS	93	99
PMSA: AURORA-ELGIN, IL	178	191
MSA: BLOOMINGTON-NORMAL, IL	104	104
MSA: CHAMPAIGN-URBANA-RANTOUL, IL	85	85
PMSA: CHICAGO, IL	187	200
MSA: DAVENPORT-ROCK ISLAND-MOLINE, IA-IL	113	119
MSA: DECATUR, IL	113	113
PMSA: JOLIET, IL	187	200
MSA: KANKAKEE, IL	83	83
PMSA: LAKE COUNTY, IL	178	191
MSA: PEORIA, IL	153	168
MSA: ROCKFORD, IL	150	161
MSA: ST. LOUIS, MO-IL	86	99
MSA: SPRINGFIELD, IL	99	106
NON METRO STATE: INDIANA	51	66
MSA: ANDERSON, IN	57	57
MSA: BLOOMINGTON, IN	54	54
PMSA: CINCINNATI, OH-KY-IN	99	104
MSA: ELKHART-GOSHEN, IN	74	74
MSA: EVANSVILLE, IN-KY	67	72
MSA: FORT WAYNE, IN	64	85
PMSA: GARY-HAMMOND, IN	90	105
MSA: INDIANAPOLIS, IN	80	91
MSA: KOKOMO, IN	74	84
MSA: LAFAYETTE-WEST LAFAYETTE, IN	68	100
MSA: LOUISVILLE, KY-IN	73	80
MSA: MUNCIE, IN	55	62
MSA: SOUTH BEND-MISHAWAKA, IN	84	88
MSA: TERRE HAUTE, IN	54	66
EXCEPTION COUNTY: ADAMS	57	75
EXCEPTION COUNTY: BLACKFORD	58	66
EXCEPTION COUNTY: GIBSON	60	66
EXCEPTION COUNTY: GRANT	58	66
EXCEPTION COUNTY: HENRY	58	66
EXCEPTION COUNTY: JAY	58	66
EXCEPTION COUNTY: MARSHALL	74	78
EXCEPTION COUNTY: RANDOLPH	58	66

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
EXCEPTION COUNTY: SULLIVAN	52	63
EXCEPTION COUNTY: VERMILLION	52	63
EXCEPTION COUNTY: WAYNE	58	66
EXCEPTION COUNTY: WELLS	57	75
NON METRO STATE: IOWA	80	86
MSA: CEDAR RAPIDS, IA	91	106
MSA: DAVENPORT-ROCK ISLAND-MOLINE, IA-IL	113	119
MSA: DES MOINES, IA	97	104
MSA: DUBUQUE, IA	91	112
MSA: IOWA CITY, IA	91	104
MSA: OMAHA, NE-IA	86	99
MSA: SIOUX CITY, IA-NE	88	88
MSA: WATERLOO-CEDAR FALLS, IA	91	106
NON METRO STATE: KANSAS	70	80
MSA: KANSAS CITY, MO-KS	87	106
MSA: LAWRENCE, KS	72	82
MSA: TOPEKA, KS	70	80
MSA: WICHITA, KS	82	87
EXCEPTION COUNTY: JEFFERSON	67	77
EXCEPTION COUNTY: OSAGE	67	77
NON METRO STATE: KENTUCKY	68	74
PMSA: CINCINNATI, OH-KY-IN	99	104
MSA: CLARKSVILLE-HOPKINSVILLE, TN-KY	71	77
MSA: EVANSVILLE, IN-KY	67	72
MSA: HUNTINGTON-ASHLAND, WV-KY-OH	77	77
MSA: LEXINGTON-FAYETTE, KY	84	96
MSA: LOUISVILLE, KY-IN	73	80
MSA: OWENSBORO, KY	78	92
NON METRO STATE: LOUISIANA	72	84
MSA: ALEXANDRIA, LA	71	83
MSA: BATON ROUGE, LA	83	98
MSA: HOUMA-THIBODAUX, LA	70	82
MSA: LAFAYETTE, LA	77	90
MSA: LAKE CHARLES, LA	82	96
MSA: MONROE, LA	71	83
MSA: NEW ORLEANS, LA	87	101
MSA: SHREVEPORT, LA	77	90
EXCEPTION COUNTY: GRANT	69	81

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 060386

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
EXCEPTION COUNTY: WEBSTER	72	84
NON METRO STATE: MAINE	100	115
MSA: BANGOR, ME	100	115
MSA: LEWISTON-AUBURN, ME	77	77
MSA: PORTLAND, ME	124	141
MSA: PORTSMOUTH-DOVER-ROCHESTER, NH-ME	100	115
NON METRO STATE: MARYLAND	111	111
MSA: BALTIMORE, MD	159	159
MSA: CUMBERLAND, MD-WV	111	111
MSA: HAGERSTOWN, MD	139	139
MSA: WASHINGTON, DC-MD-VA	143	143
PMSA: WILMINGTON, DE-NJ-MD	103	103
EXCEPTION COUNTY: ST MARYS	152	152
NON METRO STATE: MASSACHUSETTS	123	123
PMSA: BOSTON, MA	114	123
PMSA: BROCKTON, MA	114	114
PMSA: FALL RIVER, MA-RI	77	77
MSA: FITCHBURG-LEOMINSTER, MA	92	92
PMSA: LAWRENCE-HAVERHILL, MA-NH	108	115
PMSA: LOWELL, MA-NH	108	115
MSA: NEW BEDFORD, MA	106	106
PMSA: PAWTUCKET-WOONSOCKET-ATTLEBORO, RI MA	105	105
MSA: PITTSFIELD, MA	114	114
PMSA: SALEM-GLOUCESTER, MA	114	123
MSA: SPRINGFIELD, MA	90	90
MSA: WORCESTER, MA	79	79
NON METRO STATE: MICHIGAN	99	111
PMSA: ANN ARBOR, MI	134	145
MSA: BATTLE CREEK, MI	86	99
MSA: BENTON HARBOR, MI	99	111
PMSA: DETROIT, MI	131	140
MSA: FLINT, MI	121	121
MSA: GRAND RAPIDS, MI	91	98
MSA: JACKSON, MI	99	99
MSA: KALAMAZOO, MI	105	108
MSA: LANSING-EAST LANSING, MI	116	134
MSA: MUSKEGON, MI	91	93
MSA: SAGINAW-BAY CITY-MIDLAND, MI	106	106

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
EXCEPTION COUNTY: BARRY	82	95
EXCEPTION COUNTY: IONIA	103	118
EXCEPTION COUNTY: OCEANA	87	89
EXCEPTION COUNTY: SHIAWASSEE	115	115
EXCEPTION COUNTY: VAN BUREN	99	103
NON METRO STATE: MINNESOTA	72	72
MSA: DULUTH, MN-WI	74	83
MSA: FARGO-MOORHEAD, ND-MN	112	127
MSA: MINNEAPOLIS-ST. PAUL, MN-WI	141	141
MSA: ROCHESTER, MN	103	103
MSA: ST. CLOUD, MN	91	91
EXCEPTION COUNTY: POLK	110	124
NON METRO STATE: MISSISSIPPI	72	84
MSA: BILOXI-GULFPORT, MS	83	98
MSA: JACKSON, MS	90	110
MSA: MEMPHIS, TN-AR-MS	83	83
MSA: PASCAGOULA, MS	71	83
EXCEPTION COUNTY: STONE	76	88
NON METRO STATE: MISSOURI	56	63
MSA: COLUMBIA, MO	80	86
MSA: JOPLIN, MO	56	63
MSA: KANSAS CITY, MO-KS	87	106
MSA: ST. JOSEPH, MO	82	88
MSA: ST. LOUIS, MO-IL	86	99
MSA: SPRINGFIELD, MO	58	64
EXCEPTION COUNTY: ANDREW	78	84
NON METRO STATE: MONTANA	N/A	N/A
MSA: BILLINGS, MT	144	160
MSA; GREAT FALLS, MT	122	137
EXCEPTION COUNTY: BEAVERHEAD	115	130
EXCEPTION COUNTY: BIG HORN	115	130
EXCEPTION COUNTY: BLAINE	83	97
EXCEPTION COUNTY: BROADWATER	115	130
EXCEPTION COUNTY: CARBON	115	130
EXCEPTION COUNTY: CARTER	83	97
EXCEPTION COUNTY: CHOUTEAU	83	97
EXCEPTION COUNTY: CUSTER	115	130
EXCEPTION COUNTY: DANIELS	83	97

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
EXCEPTION COUNTY: DAWSON	115	130
EXCEPTION COUNTY: DEER LODGE	115	130
EXCEPTION COUNTY: FALLON	83	97
EXCEPTION COUNTY: FERGUS	83	97
EXCEPTION COUNTY: FLATHEAD	115	130
EXCEPTION COUNTY: GALLATIN	115	130
EXCEPTION COUNTY: GARFIELD	83	97
EXCEPTION COUNTY: GLACIER	83	97
EXCEPTION COUNTY: GOLDEN VALLE	83	97
EXCEPTION COUNTY: GRANITE	115	130
EXCEPTION COUNTY: HILL	83	97
EXCEPTION COUNTY: JEFFERSON	115	130
EXCEPTION COUNTY: JUDITH BASIN	83	97
EXCEPTION COUNTY: LAKE	115	130
EXCEPTION COUNTY: LEWIS+ CLARK	115	130
EXCEPTION COUNTY: LIBERTY	83	97
EXCEPTION COUNTY: LINCOLN	115	130
EXCEPTION COUNTY: MCCONE	83	97
EXCEPTION COUNTY: MADISON	115	130
EXCEPTION COUNTY: MEAGHER	115	130
EXCEPTION COUNTY: MINERAL	115	130
EXCEPTION COUNTY: MISSOULA	115	130
EXCEPTION COUNTY: MUSSELSHELL	115	130
EXCEPTION COUNTY: PARK	115	130
EXCEPTION COUNTY: PETROLEUM	83	97
EXCEPTION COUNTY: PHILLIPS	83	97
EXCEPTION COUNTY: PONDERA	83	97
EXCEPTION COUNTY: POWDER RIVER	115	130
EXCEPTION COUNTY: POWELL	115	130
EXCEPTION COUNTY: PRAIRIE	83	97
EXCEPTION COUNTY: RAVALLI	115	130
EXCEPTION COUNTY: RICHLAND	83	97
EXCEPTION COUNTY: ROOSEVELT	83	97
EXCEPTION COUNTY: ROSEBUD	115	130
EXCEPTION COUNTY: SANDERS	115	130
EXCEPTION COUNTY: SHERIDAN	83	97
EXCEPTION COUNTY: SILVER BOW	115	130
EXCEPTION COUNTY: STILLWATER	83	97
EXCEPTION COUNTY: SWEET GRASS	83	97
EXCEPTION COUNTY: TETON	83	97
EXCEPTION COUNTY: TOOLE	83	97
EXCEPTION COUNTY: TREASURE	115	130
EXCEPTION COUNTY: VALLEY	83	97
EXCEPTION COUNTY: WHEATLAND	83	97
EXCEPTION COUNTY: WIBAUX	83	97
EXCEPTION COUNTY: YL-ST-NT-PK	115	130

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
NON METRO STATE: NEBRASKA	73	89
MSA: LINCOLN, NE	98	104
MSA: OMAHA, NE-IA	86	99
MSA: SIOUX CITY, IA-NE	88	88
NON METRO STATE: NEVADA	92	106
MSA: LAS VEGAS, NV	193	215
MSA: RENO, NV	193	215
NON METRO STATE: NEW HAMPSHIRE	91	100
PMSA: LAWRENCE-HAVERHILL, MA-NH	108	115
PMSA: LOWELL, MA-NH	108	115
MSA: MANCHESTER, NH	104	113
PMSA: NASHUA, NH	123	123
MSA: PORTSMOUTH-DOVER-ROCHESTER, NH-ME	100	115
NON METRO STATE: NEW JERSEY	94	94
MSA: ALLENTOWN-BETHLEHEM, PA-NJ	92	92
MSA: ATLANTIC CITY, NJ	143	143
PMSA: BERGEN-PASSAIC, NJ	190	191
PMSA: JERSEY CITY, NJ	183	183
PMSA: MIDDLESEX-SOMERSET-HUNTERDON, NJ	215	215
PMSA: MONMOUTH-OCEAN, NJ	165	199
PMSA: NEWARK, NJ	178	183
PMSA: PHILADELPHIA, PA-NJ	163	163
PMSA: TRENTON, NJ	145	145
PMSA: VINELAND-MILLVILLE-BRIDGETON, NJ	128	128
PMSA: WILMINGTON, DE-NJ-MD	103	103
NON METRO STATE: NEW MEXICO	87	99
MSA: LAS CRUCES, NM	87	99
MSA: ALBUQUERQUE, NM	97	112
MSA: SANTA FE, NM	87	99
EXCEPTION COUNTY: SANDOVAL	92	104
NON METRO STATE: NEW YORK	108	108
MSA: ALBANY-SCHENECTADY-TROY, NY	125	125
MSA: BINGHAMTON, NY	81	81
PMSA: BUFFALO, NY	108	108
MSA: ELMIRA, NY	87	87

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
MSA: GLENS FALLS, NY	108	108
PMSA: NASSAU-SUFFOLK, NY	145	187
PMSA: NEW YORK, NY	151	151
PMSA: NIAGARA FALLS, NY	104	104
PMSA: ORANGE COUNTY, NY	104	104
MSA: POUGHKEEPSIE, NY	139	139
MSA: ROCHESTER, NY	123	123
MSA: SYRACUSE, NY	100	100
MSA: UTICA-ROME, NY	92	92
NON METRO STATE: NORTH CAROLINA	50	63
MSA: ASHEVILLE, NC	71	83
MSA: BURLINGTON, NC	71	83
MSA: CHARLOTTE-GASTONIA-ROCK HILL, NC-SC	71	83
MSA: FAYETTEVILLE, NC	71	83
MSA: GREENSBORO--WINSTON-SALEM--HIGH POINT, NC	71	83
MSA: HICKORY, NC	50	63
MSA: JACKSONVILLE, NC	50	63
MSA: RALEIGH-DURHAM, NC	71	83
MSA: WILMINGTON, NC	71	83
EXCEPTION COUNTY: BRUNSWICK	64	76
EXCEPTION COUNTY: CURRITUCK	101	101
EXCEPTION COUNTY: MADISON	64	76
NON METRO STATE: NORTH DAKOTA	90	104
MSA: BISMARCK, ND	128	141
MSA: FARGO-MOORHEAD, ND-MN	112	127
MSA: GRAND FORKS, ND	97	120
NON METRO STATE: OHIO	65	65
PMSA: AKRON, OH	99	99
MSA: CANTON, OH	70	70
PMSA: CINCINNATI, OH-KY-IN	99	104
PMSA: CLEVELAND, OH	106	106
MSA: COLUMBUS, OH	91	106
MSA: DAYTON-SPRINGFIELD, OH	70	70
PMSA: HAMILTON-MIDDLETOWN, OH	80	83
MSA: HUNTINGTON-ASHLAND, WV-KY-OH	77	77
MSA: LIMA, OH	91	91
PMSA: LORAIN-ELYRIA, OH	113	113
MSA: MANSFIELD, OH	86	86
MSA: PARKERSBURG-MARIETTA, WV-OH	77	77
MSA: STEUBENVILLE-WEIRTON, OH-WV	68	68

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
MSA: TOLEDO, OH	113	153
MSA: WHEELING, WV-OH	71	71
MSA: YOUNGSTOWN-WARREN, OH	86	86
EXCEPTION COUNTY: CHAMPAIGN	65	78
EXCEPTION COUNTY: OTTAWA	100	134
EXCEPTION COUNTY: PREBLE	65	65
EXCEPTION COUNTY: PUTNAM	81	81
EXCEPTION COUNTY: VAN WERT	81	81
NON METRO STATE: OKLAHOMA	69	75
MSA: ENID, OK	69	75
MSA: FORT SMITH, AR-OK	33	36
MSA: LAWTON, OK	70	77
MSA: OKLAHOMA CITY, OK	72	80
MSA: TULSA, OK	77	83
EXCEPTION COUNTY: LE FLORE	32	35
EXCEPTION COUNTY: MAYES	70	76
NON METRO STATE: OREGON	123	130
MSA: EUGENE-SPRINGFIELD, OR	144	148
MSA: MEDFORD, OR	123	130
PMSA: PORTLAND, OR	169	187
MSA: SALEM, OR	144	148
NON METRO STATE: PENNSYLVANIA	65	65
MSA: ALLENTOWN-BETHLEHEM, PA-NJ	92	92
MSA: ALTOONA, PA	84	84
PMSA: BEAVER COUNTY, PA	77	77
MSA: ERIE, PA	84	84
MSA: HARRISBURG-LEBANON-CARLISLE, PA	95	95
MSA: JOHNSTOWN, PA	84	84
MSA: LANCASTER, PA	88	88
PMSA: PHILADELPHIA, PA-NJ	163	163
PMSA: PITTSBURGH, PA	80	80
MSA: READING, PA	88	88
MSA: SCRANTON--WILKES-BARRE, PA	84	84
MSA: SHARON, PA	65	65
MSA: STATE COLLEGE, PA	65	65
MSA: WILLIAMSPORT, PA	65	65
MSA: YORK, PA	88	88
EXCEPTION COUNTY: SUSQUEHANNA	70	70
NON METRO STATE: RHODE ISLAND	100	100

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
PMSA: FALL RIVER, MA-RI	77	77
MSA: NEW LONDON-NORWICH, CT-RI	105	105
PMSA: PAWTUCKET-WOONSOCKET-ATTLEBORO, RI MA	105	105
PMSA: PROVIDENCE, RI	105	105
NON METRO STATE: SOUTH CAROLINA	56	56
MSA: ANDERSON, SC	56	56
MSA: AUGUSTA, GA-SC	75	77
MSA: CHARLESTON, SC	71	71
MSA: CHARLOTTE-GASTONIA-ROCK HILL, NC-SC	71	83
MSA: COLUMBIA, SC	63	71
MSA: FLORENCE, SC	56	56
MSA: GREENVILLE-SPARTANBURG, SC	63	63
NON METRO STATE: SOUTH DAKOTA	77	90
MSA: RAPID CITY, SD	77	90
MSA: SIOUX FALLS, SD	108	121
NON METRO STATE: TENNESSEE	56	56
MSA: CHATTANOOGA, TN-GA	49	71
MSA: CLARKSVILLE-HOPKINSVILLE, TN-KY	71	77
MSA: JACKSON, TN	56	56
MSA: JOHNSON CITY-KINGSPORT-BRISTOL, TN VA	77	77
MSA: KNOXVILLE, TN	63	63
MSA: MEMPHIS, TN-AR-MS	83	83
MSA: NASHVILLE, TN	83	98
NON METRO STATE: TEXAS	61	75
NON METRO STATE: TEXAS	61	75
MSA: ABILENE, TX	52	59
MSA: AMARILLO, TX	96	101
MSA: AUSTIN, TX	87	103
MSA: BEAUMONT-PORT ARTHUR, TX	90	103
PMSA: BRAZORIA, TX	106	124
MSA: BROWNSVILLE-HARLINGEN, TX	71	83
MSA: BRYAN-COLLEGE STATION, TX	87	98
MSA: CORPUS CHRISTI, TX	75	98
PMSA: DALLAS, TX	77	98
MSA: EL PASO, TX	100	113
PMSA: FORT WORTH-ARLINGTON, TX	77	98

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
PMSA: GALVESTON-TEXAS CITY, TX	103	116
PMSA: HOUSTON, TX	110	129
MSA: KILLEEN-TEMPLE, TX	90	98
MSA: LAREDO, TX	63	77
MSA: LONGVIEW-MARSHALL, TX	83	95
MSA: LUBBOCK, TX	95	98
MSA: MC ALLEN-EDINBURG-MISSION, TX	82	98
MSA: MIDLAND, TX	98	103
MSA: ODESSA, TX	98	103
MSA: SAN ANGELO, TX	83	90
MSA: SAN ANTONIO, TX	71	83
MSA: SHERMAN-DENISON, TX	77	90
MSA: TEXARKANA, TX-TEXARKANA, AR	98	110
MSA: TYLER, TX	77	81
MSA: VICTORIA, TX	61	75
MSA: WACO, TX	80	90
MSA: WICHITA FALLS, TX	56	63
EXCEPTION COUNTY: CALLAHAN	51	57
EXCEPTION COUNTY: CLAY	55	61
EXCEPTION COUNTY: HOOD	70	88
EXCEPTION COUNTY: JONES	51	57
EXCEPTION COUNTY: WISE	70	88
NON METRO STATE: UTAH	N/A	N/A
MSA: PROVO-OREM, UT	115	130
MSA: SALT LAKE CITY-OGDEN, UT	130	144
EXCEPTION COUNTY: BEAVER	83	97
EXCEPTION COUNTY: BOX ELDER	83	97
EXCEPTION COUNTY: CACHE	83	97
EXCEPTION COUNTY: CARBON	115	130
EXCEPTION COUNTY: DAGGETT	83	97
EXCEPTION COUNTY: DUCHESNE	83	97
EXCEPTION COUNTY: EMERY	115	130
EXCEPTION COUNTY: GARFIELD	83	97
EXCEPTION COUNTY: GRAND	115	130
EXCEPTION COUNTY: IRON	83	97
EXCEPTION COUNTY: JUAB	83	97
EXCEPTION COUNTY: KANE	83	97
EXCEPTION COUNTY: MILLARD	83	97
EXCEPTION COUNTY: MORGAN	83	97
EXCEPTION COUNTY: PIUTE	83	97
EXCEPTION COUNTY: RICH	83	97
EXCEPTION COUNTY: SAN JUAN	83	97
EXCEPTION COUNTY: SANPETE	83	97
EXCEPTION COUNTY: SEVIER	83	97

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
EXCEPTION COUNTY: SUMMIT	83	97
EXCEPTION COUNTY: TOOELE	108	120
EXCEPTION COUNTY: UINTAH	115	130
EXCEPTION COUNTY: WASATCH	83	97
EXCEPTION COUNTY: WASHINGTON	83	97
EXCEPTION COUNTY: WAYNE	83	97
NON METRO STATE: VERMONT	94	108
MSA: BURLINGTON, VT	94	108
NON METRO STATE: VIRGINIA	80	80
MSA: CHARLOTTESVILLE, VA	80	80
MSA: DANVILLE, VA	80	80
MSA: JOHNSON CITY-KINGSPORT-BRISTOL, TN /A	77	77
MSA: LYNCHBURG, VA	71	71
MSA: NORFOLK-VIRGINIA BEACH-NEWPORT NEWS, VA	112	112
MSA: RICHMOND-PETERSBURG, VA	110	110
MSA: ROANOKE, VA	77	77
MSA: WASHINGTON, DC-MD-VA	143	143
EXCEPTION COUNTY: APPOMATTOX	69	69
EXCEPTION COUNTY: CRAIG	75	75
NON METRO STATE: WASHINGTON	106	123
MSA: BELLINGHAM, WA	106	136
MSA: BREMERTON, WA	106	136
MSA: OLYMPIA, WA	106	136
MSA: RICHLAND-KENNEWICK-PASCO, WA	144	144
PMSA: SEATTLE, WA	137	193
MSA: SPOKANE, WA	115	130
PMSA: TACOMA, WA	122	144
PMSA: VANCOUVER, WA	157	174
MSA: YAKIMA, WA	115	122
NON METRO STATE: WEST VIRGINIA	77	77
MSA: CHARLESTON, WV	83	83
MSA: CUMBERLAND, MD-WV	111	111
MSA: HUNTINGTON-ASHLAND, WV-KY-OH	77	77
MSA: PARKERSBURG-MARIETTA, WV-OH	77	77
MSA: STEUBENVILLE-WEIRTON, OH-WV	68	68
MSA: WHEELING, WV-OH	71	71
EXCEPTION COUNTY: WIRT	75	75
NON METRO STATE: WISCONSIN	80	86

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

SCHEDULE D- FAIR MARKET RENTS FOR MANUFACTURED HOME SPACES (SECTION 8 EXISTING HOUSING PROGRAM) 063086

	SINGLE WIDE SPACE	DOUBLE WIDE SPACE
MSA: APPLETON-OSHKOSH-NEENAH, WI	99	106
MSA: DULUTH, MN-WI	74	83
MSA: EAU CLAIRE, WI	93	100
MSA: GREEN BAY, WI	97	104
MSA: JANESVILLE-BELOIT, WI	97	104
PMSA: KENOSHA, WI	104	110
MSA: LA CROSSE, WI	88	96
MSA: MADISON, WI	146	152
PMSA: MILWAUKEE, WI	113	119
MSA: MINNEAPOLIS-ST. PAUL, MN-WI	141	141
PMSA: RACINE, WI	105	112
MSA: SHEBOYGAN, WI	80	86
MSA: WAUSAU, WI	80	86
NON METRO STATE: WYOMING	N/A	N/A
MSA: CASPER, WY	193	208
MSA: CHEYENNE, WY	115	138
EXCEPTION COUNTY: ALBANY	115	138
EXCEPTION COUNTY: BIG HORN	115	138
EXCEPTION COUNTY: CAMPBELL	193	208
EXCEPTION COUNTY: CARBON	193	208
EXCEPTION COUNTY: CONVERSE	193	208
EXCEPTION COUNTY: CROOK	115	138
EXCEPTION COUNTY: FREMONT	193	208
EXCEPTION COUNTY: GOSHEN	115	138
EXCEPTION COUNTY: HOT SPRINGS	115	138
EXCEPTION COUNTY: JOHNSON	115	138
EXCEPTION COUNTY: LARAMIE	115	138
EXCEPTION COUNTY: LINCOLN	115	138
EXCEPTION COUNTY: PARK	115	138
EXCEPTION COUNTY: PLATTE	115	138
EXCEPTION COUNTY: SHERIDAN	193	208
EXCEPTION COUNTY: SUBLETTE	115	138
EXCEPTION COUNTY: SWEETWATER	193	208
EXCEPTION COUNTY: TETON	115	138
EXCEPTION COUNTY: UINTA	115	138
EXCEPTION COUNTY: WASHAKIE	115	138
EXCEPTION COUNTY: WESTON	115	138

NOTE: TO IDENTIFY COUNTIES (AND NEW ENGLAND TOWNS) IN EACH MSA, SEE SCHEDULE B

@BRKPT PRINT$

[FR Doc. 86-19566 Filed 8-28-86; 8:45 am]
BILLING CODE 4210-27-C

federal register

Friday
August 29, 1986

Part VI

Environmental Protection Agency

40 CFR Part 52

Source Surveillance of Visible Emissions; Proposed Revisions of Existing Rule

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[AD-FRL-2963-7]

Source Surveillance of Visible Emissions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed revisions of existing rule.

SUMMARY: The EPA proposes to promulgate new visible emission test procedures for evaluating compliance with opacity standards when a State implementation plan (SIP) does not contain an appropriate test method or when the Administrator promulgates a plan for a State. Section 52.12(c) requires EPA to use appropriate procedures and test methods in 40 CFR 60 for enforcement of SIP requirements if the SIP does not specify a method. The test method in Part 60 for visible emission observations is Method 9 of Appendix A. This action proposes to incorporate a new Method, F–1, for reading visible emissions, for use in place of Method 9 under appropriate circumstances, into a new Appendix F of Part 52. The new Method, F–1, provides EPA with an expanded array of data reduction procedures for various types of SIP opacity limitations. These procedures constitute the main difference between Methods 9 and F–1. This action is necessary because the current data reduction procedures of Method 9 may not adequately relate to SIP opacity regulations which specify no averaging time, or have certain data aggregation provisions that are not consistent with the data averaging procedures specified in Method 9. This action will provide EPA with visible emission test procedures that would be available for use with most SIP opacity regulations. Additionally the notice clarifies EPA's intention that evidence of violation not be solely limited to test results, but the fact that violations have occurred may be proven by evidence admissible under Federal Rules of Evidence. The EPA proposes to add a statement in § 52.23 regarding this intent. No revisions to any SIP are required by this action.

DATES: Comments must be submitted on or before October 28, 1986.

ADDRESSES: Send comments to: Central Docket Section (LE–131), EPA, Attention: Docket No. A–84–22, 401 M Street, SW., Washington, DC 20460. Docket No. A–84–22, containing material relevant to this rulemaking, is located in EPA's Central Docket Section, West Tower Lobby, Gallery 1, 401 M Street, Washington, DC 20460. The docket may be inspected between 8 a.m. and 4 p.m. on weekdays, and a reasonable fee may be charged for copying.

FOR FURTHER INFORMATION CONTACT: Ted Creekmore or Joseph Sableski, Standards Implementation Branch, MD–15, EPA, Research Triangle Park, North Carolina, 27711, telephone: (commercial) 919–541–5697 or (FTS) 629–5697.

SUPPLEMENTARY INFORMATION:

Introduction

The Clean Air Act (Act) includes requirements that EPA establish national ambient air quality standards for various pollutants which may reasonably be anticipated to endanger public health and welfare. The Act requires States to develop SIP's which include rules to control emissions of air pollutants. Many SIP's include regulations limiting emissions from sources by limiting visible emissions.

The SIP's include a variety of such limits. The limits are generally written to specify a maximum opacity a source is allowed to emit, as determined by a trained observer. Some provisions limit opacity for a specified number of minutes in an hour (time exception), others limit it for levels as averaged over a specified number of minutes (time averaged), and others specify limits that are never to be exceeded (instantaneous limitation). Many SIP's do not prescribe the test methods to be used to determine compliance with opacity provisions. When EPA desires to enforce these regulations, 40 CFR 52.12(c) specifies that EPA will do so using appropriate test methods in 40 CFR 60, *Standards of Performance for New Stationary Sources*. The only general visible emission observation test procedure in 40 CFR 60 is Method 9 of Appendix A.

Method 9 contains procedures for the training and certification of observers, field procedures for the determination of plume opacity, and a data reduction procedure. It provides a time-averaged data reduction technique whereby opacity levels are determined by averaging 24 consecutive opacity observations, each taken at 15-second intervals, to arrive at an average opacity for a 6-minute period.

The EPA revised Method 9 on November 12, 1974 (39 FR 39872). The preamble to that revision recognized that the data reduction techniques in Method 9 were not appropriate for some types of SIP opacity regulations. The preamble also stated EPA's intent to propose procedures to enforce SIP limitations not adequately addressed under Method 9. Such regulations include those with time-exception provisions, as well as those that specify averaging times of other than 6 minutes. Also, Method 9 did not address data reduction procedures for instantaneous limitations (sometimes called caps) on visible emissions which are included in some SIP's.

The EPA proposes to promulgate explicit test procedures to determine compliance with SIP opacity limitations in a new Method, F–1, of a new Appendix F to Part 52. The new Method, F–1, provides EPA with an expanded array of visible emission data reduction procedures for various types of SIP opacity limitations. It will replace Method 9 for EPA enforcement of SIP opacity limitations. Method F–1 contains field and observer certification procedures that are identical to those of Method 9. The only difference between Method 9 and the new Method, F–1, are the data reduction procedures. These new data reduction procedures are appropriate for determining compliance with SIP regulations that contain time-exception, time-averaged (2 minutes or greater), and instantaneous limitations. The proposed data reduction procedures are based on a number of data sets. The test data and other background information are included in the docket. The proposed data reduction procedures are discussed in the following paragraphs.

Data Reduction Procedures for Time-Exception Opacity Regulations

This procedure applies to SIP regulations that allow a certain level of visible emissions to be exceeded for a specified period of time. Such regulations are often referred to as time-exception regulations. A typical time-exception regulation might provide that a source cannot exceed 20 percent opacity except for 5 minutes in any 1 hour. The 6-minute averaging technique used in Method 9 may result in underenforcement of this type of regulation. Underenforcement may occur because some sources exhibit short-term peak level opacity intermixed with periods of no visible emissions at all. Thus, the opacity readings in excess of the standard can be effectively offset in the averaging of 24 consecutive readings by the periods of very low readings, resulting in an overall opacity value which is in compliance with the SIP regulation.

Section 2.5.1 of Method F–1, "Time-Exception Regulations," provides for effective enforcement of time-exception provisions. It requires that readings above the allowable level be added

together or "aggregated" to determine compliance with the exception period of the regulation. This is done without regard to any "averaging period," taken during the appropriate observation period, usually up to an hour.

Data Reduction for Time-Averaged Opacity Regulations

This data reduction procedure is very similar to that of Method 9 except that it applies to SIP regulations which specify averaging times different from Method 9. The use of a 6-minute average when the SIP specifies a shorter averaging time may result in underenforcement of SIP regulations in comparison with other, shorter averaging periods. Such underenforcement may occur because State regulations that specify averaging times of less than 6 minutes are better able to control sources with frequent opacity fluctuations. The less-than-6-minute averge is a more sensitive indicator of short-term visible emission excursions above the standard which may not be properly reflected when averaged over the full 6-minute period as specified in Method 9.

Under section 2.5.2 of Method F-1, "Time-Averaged Regulations," individual 15-second readings are averaged over the time period specified by the SIP or federally-promulgated regulation.

Where a SIP specifies an averaging time of 6 minutes, the 6-minute averaging procedure of Method F-1 will be used to determine compliance with the standard. Section 2.5.2 also includes the flexibility to reduce and report opacity observations averaged over periods of 6 minutes, or greater if such an averaging period is specified by the applicable SIP.

Data Reduction Procedures for Instantaneous Opacity Regulations

The EPA will use this procedure to enforce SIP visible emission limitations that are intended by the State or Federal government as never-to-be-exceeded opacity limitations. The proposed section 2.5.3, "Instantaneous Limitation Regulations," specified the use of a 2-minute averaging time for determining compliance with the "never-to-be-exceeded" or "cap" limitation. The 2-minute averaging time is used because it is consistent with acceptable accuracy levels for opacity observations.

Many State regulations include two-tiered opacity standards. An example of a two-tiered limitation is "... visible emissions may not exceed 20 percent opacity, except for 3 minutes in any 1 hour, and may not exceed 40 percent opacity." The first level, 20 percent opacity, would be treated as a time-exception regulation, and the second level, 40 percent opacity, as an instantaneous limitation under section 2.5.3.

In other situations, a single opacity limitation has been adopted as an instantaneous limitation for certain sources under the SIP regulations. For either the single or two-tiered case, this data reduction procedure would apply if it was clearly the intent of the regulation that the opacity limitation was never to be exceeded.

Procedures to Implement 40 CFR 52.12(c)

To test for compliance, EPA will select the visible emission test method and data reduction procedure in Part 52 which best ensures that the SIP visible emission standard is being enforced in a manner that is as consistent as possible with the language originally contained in the rule incorporated in the federally-approved or promulgated SIP. Absent an indication of State intent to the contrary, EPA will assume that a State intended a 6-minute averaging time be associated with SIP opacity regulations which contain no specific reference to time-exception, time-averaging, or instantaneous limitations.

Accuracy of Methods

The accuracy of visible emission observations is chiefly dependent upon the training of the obervers and the field procedures utilized by the observer for assigning opacity values. The training, certification, and field procedures in this proposed test method, F-1, are taken from Reference Method 9, 40 CFR Part 60, Appendix A. These Method 9 procedures were sustained by the Court of Appeals for the D.C. Circuit in *Portland Cement v. Train* 513 F.2d 506 (D.C. Cir. 1975).

The EPA reviewed the training and certification procedures and the field procedures of the current Method 9 during the development of these new test procedures. The EPA concluded that these procedures remain the best available means of assuring the accuracy of visible emission observations. The field procedures reduce to the extent possible the potential influence of variables that might otherwise affect the ability of the observer to accurately assign opacity values.

The docket, A-84-22, contains reports on field studies and other data which EPA has used to support the accuracy of these test procedures. This information indicates that in visible emission observations both positive and negative error may occur.

A positive error occurs when an observer assigns an opacity value greater than the actual plume opacity. A negative error occurs when an observer assigns an opacity value lower than the actual plume opacity.

To evalute potential errors, both positive and negative, a series of field experiments were conducted under controlled field conditions using light and dark visible plumes generated using a smoke generator, equipped with a transmissometer meeting the specifications of Method 9. During these evaluation tests, panels of qualified observers (certified by Method 9 procedures) read the generated plumes in 5 percent opacity increments and at 15-second intervals. The data were reduced for time-averaged regulations by averaging for varying lengths of time, and for time-exception regulations by aggregating the data over the time period of each reading. Data from earlier field trials also were evaluated. Observer measurements were then compared to the reference values measured by the transmissometer in the stack of the smoke generator.

Docket A-84-22 contains a detailed discussion of error in opacity readings. From the data in the docket, EPA has determined the error probabilities for these test procedures as used for determining compliance with opacity standards. These studies demonstrate conclusively that opacity readings taken in accordance with the test procedures prescribed in this proposal reflect an overall negative bias; i.e., the observers are more likely to assign opacity values that are below, rather than above the actual opacity value. The field studies conducted by EPA demonstrate that there is about a 60-70 percent probability of no positive error for opacity readings taken under the time-averaged and time-exception test procedures, respectively.

Tables 1-5 in the introduction to the proposed regulations indicate the probability of the existence of various levels of maximum potential positive error for time-averaged procedures, and were derived by comparing observed opacity with the measured opacity. The tables present data for 2- to 6-minute averaging times.

Table 6 in the introduction to the proposed regulation indicates the range of observer errors which occurred in determining the duration of visible emissions using time-exception test procedures and was derived by comparing time calculated from the observer's readings with the measured value. A combination of opacity error and time error was determined to be the

most practical way of explaining accuracy for this method.

Method F-1 in Appendix F of Part 52 will be used by EPA to assess compliance with SIP opacity regulations where a SIP does not contain an applicable opacity test method or where the Administrator promulgates a SIP opacity regulation. When EPA seeks to enforce compliance with SIP opacity regulations, test results which exceed the applicable standard will be used as evidence of a violation in Federal judicial action and in EPA administrative actions.

All reference method test results will be considered by EPA as competent evidence of compliance or violation. The method error analysis will be considered by EPA along with other relevant factors in determining whether the test results establish compliance with, or a violation of, an opacity standard.

Application of Method F-1 to Fugitive Dust

The EPA believes that visible emission surveillance based on Method F-1 is appropriate for determining compliance of fugitive process dust sources with State emission regulations. For many years Method 9 has been used to measure the opacity of these sources in new source performance standards (NSPS). The EPA also believes that Method F-1 can be applied to fugitive dust emissions from nonprocess sources such as roads and parking lots. The EPA is currently developing a more complete record to support application of this method to nonprocess fugitives. The EPA is also considering the addition of clarifying language to Method F-1 that will assure its applicability to State regulations governing nonprocess fugitive sources. For example, certain existing State regulations for limiting visible emissions from roads and lots specify the conditions and points in the plume under which observation will be made. The regulations address such conditions as intermixing of plumes and unusual conditions (such as a broken cement bag on the pavement). The regulations also address points in the plume such as how high above the surface the readers should make observations.

If at the close of this rulemaking EPA decides, as it now proposes, to use Method F–1 for nonprocess fugitives, EPA will consider changing the terms governing observation techniques in the test method itself to account for physical differences between testing process and nonprocess fugitive sources. The EPA solicits comments on whether these kinds of adjustments to Method F–1 would be necessary or appropriate.

The Federal Rules of Evidence

This action proposes to revise 40 CFR 52.23, "Violation and Enforcement," to clarify that the promulgation of test methods in Parts 52 and 60 are not intended to limit the use of evidence that would otherwise be admissible under the Federal Rules of Evidence. The Federal Rules of Evidence govern proceedings in the courts of the United States and before United States magistrates to the extent and with the exceptions stated in Rule 1101 (Fed. R. Evid. 101). Section 113(b)(5) of the Act provides that ". . . [a]ny action under this subsection may be brought in the district court in which the defendant resides or has his principal place of business . . ." [42 U.S.C. 7413(b)(5)]. All civil enforcement actions brought by EPA under the Act are thus subject to the Federal Rules of Evidence. Under the Federal Rules of Evidence all relevant evidence is admissible, subject to limited exceptions (Fed. R. Evid. 402 advisory committee note). The court has the ultimate authority to decide any issue involving the admissibility of evidence.

The EPA never intended the promulgation of test methods to limit the admissibility of other forms of evidence. Thus, expert testimony may be used, for example, by the government to prove violations or to present evidence of the extent to which pollution control technology is applied. Admissions may be used as evidence of violation and of actions or positions which have been taken by the source. The issue of whether expert testimony or admissions by party opponents or any other evidence is admissible is to be decided by the court. Thus, we are proposing language to the Code of Federal Regulations that retains judicial flexibility to consider admitting competent evidence such as expert testimony and admissions by party opponents.

Regulatory Impact

Under Executive Order 12291, EPA must judge whether a regulation is "major" and therefore subject to the requirement of a regulatory impact analysis. This proposed regulation is not a major rule because it will not result in an effect on the economy of $100 million or more, nor will it result in an increase in costs or prices to industry. There will be no adverse impact on the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic or export markets. Because this amendment is not a major regulation, no regulatory impact analysis is being conducted. This regulation was submitted to the Office of Management and Budget (OMB) for review under E.O. 12291.

This action does not require any revision to existing SIP's or changes to any SIP regulations. Its purpose is to give EPA an appropriate test method to enforce SIP opacity regulations where there are no test methods in the applicable SIP. The proposal will help EPA to enforce opacity regulations using the techniques originally intended by the States in their SIP regulations.

Regulatory Flexibility Act

Pursuant to the Regulatory Flexibility Act, 5 U.S.C., section 601 et seq., whenever an agency is required to publish a general notice of rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis which describes the impact of the rule on small entities (i.e., small businesses, small organizations, and small governmental jurisdictions). The Administrator may certify, however, that the rule will not have a significant economic impact on a substantial number of small entities.

This amendment will have no adverse economic impact on small entities. Its only purpose is to assure EPA has an appropriate test method to enforce SIP opacity regulations. No new SIP regulations are being proposed. Since this amendment does not significantly change the status quo for such entities, I hereby certify that this regulation will not have a significant economic impact on a substantial number of small entities. This regulation therefore does not require a regulatory flexibility analysis.

Paperwork Reduction Act

This rule does not contain any information collection requirements subject to the Office of Management and Budget review under the Paperwork Reduction Act of 1980, 44 U.S.C., 3501 et seq.

List of Subjects in 40 CFR Part 52

Air pollution control, ozone, sulfur oxides, nitrogen dioxide, lead, particulate matter, carbon monoxide, hydrocarbons.

Dated: August 22, 1986.

Lee M. Thomas,

Administrator.

The EPA proposes to amend Title 40, Chapter I, Part 52 of the Code of Federal Regulations as follows:

PART 52—[AMENDED]

1. The authority citation for Part 52 continues to read as follows:

Authority: Section 110 of the Clean Air Act as amended, 42 U.S.C. 7410.

2. Section 52.12 is amended by revising paragraphs (c) introductory text and (c)(1) to read as follows:

§ 52.12 Source surveillance.

* * * * *

(c) For purposes of Federal enforcement, the following test procedures shall be used:

(1) Sources subject to plan provisions that do not specify test procedures and to provisions promulgated by the Administrator will be tested by means of the appropriate procedures and methods prescribed in Part 60 or in Part 52. In deciding which methods to follow, the Administrator will use the method or methods which are most consistent with the applicable provisions of the plan.

* * * * *

3. Section 52.23 is amended by revising paragraph (b) to read as follows:

§ 52.23 Violation and enforcement.

* * * * *

(b) The promulgation of test methods under Parts 52 and 60 is not intended as a limitation on the use of evidence that would be otherwise admissible under the Federal Rules of Evidence.

* * * * *

4. A new Appendix F is added to Part 52 as follows:

Appendix F—Reference Methods For EPA Plan Enforcement

The test methods in this Appendix are referred to in § 52.12 (Source Surveillance) of 40 CFR Part 52, Subpart A (General Provisions). These methods, where applicable, are used to determine compliance with SIP regulations when the SIP fails to specify a test method or when EPA promulgates SIP regulations.

Method F–1—Visual Determination of Opacity of Emissions From Stationary Sources

The EPA has evaluated field studies and other information to determine the accuracy of the test procedure. This information indicates that both positive and negative error may occur while reading plumes under contrasting conditions and using the test procedures of Method F–1.

To evaluate potential positive error, a series of field experiments were conducted under controlled field conditions using light and dark visible plumes generated using a smoke generator and with a transmissometer meeting the specifications of Method 9. During these evaluation tests, panels of qualified observers (certified by Method 9 procedures) read the generated plumes in 5 percent opacity increments and at 15-second intervals. The data were reduced for time-averaged regulations by averaging over varying lengths of time, and for time-exception provisions by aggregating the readings above a given opacity within the time period. Data from the earlier field trials conducted in developing Method 9 also were evaluated. Observer measurements were then compared to the reference values measured by the smoke generator transmissometer. These data are included in the docket. Tables 1–5 indicate the probability of various levels of maximum potential positive error for time-averaged test procedures, over averaging periods of 2 to 6 minutes. For any averaging times over 6 minutes, the positive error for the 6-minute averaging period may be used.

Range of Positive Error For Various Averaging Times Used in Time-Averaged Regulations—Tables 1–5

Table 1. Averaging 8 Observations (2 minutes).

95 percent of the data sets were read with a positive error of 12.5 percent opacity or less
90 percent of the data sets were read with a positive error of 9.5 percent opacity or less
85 percent of the data sets were read with a positive error of 7.5 percent opacity or less
80 percent of the data sets were read with a positive error of 6 percent opacity or less
70 percent of the data sets were read with a positive error of 3 percent opacity or less
60 percent of the data sets were read with a positive error of less than 1 percent opacity

Table 2. Averaging 12 Observations (3 minutes).

95 percent of the data sets were read with a positive error of 12 percent opacity or less
90 percent of the data sets were read with a positive error of 9 percent opacity or less
85 percent of the data sets were read with a positive error of 7 percent opacity or less
80 percent of the data sets were read with a positive error of 5.5 percent opacity or less
70 percent of the data sets were read with a positive error of 3 percent opacity or less
60 percent of the data sets were read with a positive error of less than 1 percent opacity

Table 3. Averaging 16 Observations (4 minutes).

95 percent of the data sets were read with a positive error of 12 percent opacity or less
90 percent of the data sets were read with a positive error of 9 percent opacity or less
85 percent of the data sets were read with a positive error of 7 percent opacity or less
80 percent of the data sets were read with a positive error of 5.5 percent opacity or less
70 percent of the data sets were read with a positive error of 3 percent opacity or less
60 percent of the data sets were read with a positive error of les than 1 percent opacity

Table 4. Averaging 20 Observations (5 minutes).

95 percent of the data sets were read with a positive error of 11.5 percent opacity or less
90 percent of the data sets were read with a positive error of 9 percent opacity or less
85 percent of the data sets were read with a positive error of 8.5 percent opacity or less
80 percent of the data sets were read with a positive error of 5 percent opacity or less
70 percent of the data sets were read with a positive error of 2.5 percent opacity or less
60 percent of the data sets were read with a positive error of less than 1 percent opacity

Table 5. Averaging 25 Observations (6 minutes).

95 percent of the data sets were read with a positive error of 10 percent opacity or less
90 percent of the data sets were read with a positive error of 7.5 percent opacity or less
85 percent of the data sets were read with a positive error of 5.5 percent opacity or less
80 percent of the data sets were read with a positive error of 4 percent opacity or less
70 percent of the data sets were read with a positive error of 2 percent opacity or less
60 percent of the data sets were read with a positive error of less than 1 percent opacity

Table 6 indicates a range of observer errors in determining duration of visible emissions for time-exception test procedures and was derived by comparing observed opacity with actual opacity. The table expresses accuracy in terms of opacity error and time error because it was determined to be the most practical way of explaining accuracy for this method. Opacity error refers to the error allowance or "buffer" allowed to obtain a given level of accuracy. Time error refers to the number of 15-second observations that must be discounted to obtain a given level of accuracy.

Table 6. Range of Observer Errors for Time-Exception Observations.

92 percent of the data sets showed no positive error when 5 percent opacity was subtracted from each observation and one observation above the opacity limit was discarded for each set of 24 observations.
87 percent of the data sets showed no positive error when 5 percent opacity was subtracted from each observation.
81 percent of the data sets showed no positive error when one observation above the opacity limit was discarded for each set of 24 observations.
70 percent of the data sets showed no positive error.

1. Principle and Applicability

1.1 Principle

The opacity of emissions from sources of visible emissions is determined visually by a qualified observer.

1.2 Applicability

This method is applicable for the determination of the opacity of emissions from sources of visible emissions for (1) time-exception regulations, (2) time-averaged regulations, and (3) instantaneous limitations.

1.3 Definitions

"Time-exception regulation" means any regulation which allows predefined periods of opacity above the otherwise applicable opacity limit.

"Time-averaged regulation" means any regulation which utilizes averaging to determine the opacity of visible emissions over a specific time period.

"Instantaneous limitation regulation" means an opacity limit which is never to be exceeded.

2. Procedures

The observer qualified in accordance with section 3 of this method shall use the following procedures for visually determining the capacity of emissions.

2.1 Position

The qualified observer shall stand at a distance sufficient to provide a clear view of the emissions with the sun oriented in the 140-degree sector to his back. Consistent with maintaining the above requirement, the observer shall, as much as possible, make his observations from a position such that his line of vision is approximately perpendicular to the plume direction and, when observing opacity of emissions from rectangular outlets (e.g. roof monitors, open baghouses, noncircular stacks), approximately perpendicular to the longer axis of the outlet. The observer's line of sight should not include more than one plume at a time when multiple stacks are involved and, in any case, the observer should make his observations with his line of sight perpendicular to the longer axis of such a set of multiple stacks (e.g., stub stacks on baghouses).

2.2 Field Records

The observer shall record the name of the plant, emission location, type of facility, observer's name and affiliation, and the date on a field data sheet. The time, estimated distance to the emission location, approximate wind direction, estimated wind speed, description of the sky condition (presence and color of clouds), and plume background are recorded on a field data sheet at the time opacity readings are initiated and completed.

2.3 Observations

Opacity observations shall be made at the point of greatest opacity in that portion of the plume where condensed water vapor is not present.

The observer shall not look continuously at the plume, but instead shall observe the plume momentarily at 15-second intervals.

2.3.1 Attached Steam Plumes

When condensed water vapor is present within the plume as it emerges from the emission outlet, opacity observations shall be made beyond the point in the plume at which condensed water vapor is not longer visible. The observer shall record the approximate distance from the emission outlet to the point in the plume at which the observations are made.

2.3.2 Detached Steam Plume

When water vapor in the Plume condenses and becomes visible at a distinct distance from the emission outlet, the opacity of emissions should be evaluated at the emission outlet prior to the condensation of water vapor and the formation of the steam plume.

2.4 Recording Observations

Opacity observations shall be recorded to the nearest 5 percent at 15-second intervals on an observational record sheet. Each momentary observation recorded shall be deemed to represent the average of emissions for a 15-second period.

2.5 Data Reduction

2.5.1 Time-Exception Regulations

For a time-exception regulation, reduce opacity observations as follows: count the number of observations above the applicable standard, and multiply that number by 0.25 to determine the minutes of emissions above the standard.

2.5.2. Time-Averaged Regulations

For a time-averaged regulation that provides for averaging over a period of 2 or more minutes, opacity observations shall be reduced to an average of eight, or more (as appropriate), consecutive observations recorded at 15-second intervals depending on the averaging time specified by the regulation in the State implementation plan. Divide the observations recorded on the record sheet into sets of eight, or more (as appropriate), for the specified averaging time. A set is composed of any eight or more consecutive observations. Sets need not be consecutive in time and in no case shall two sets overlap. For each set of observations, calculate the appropriate average by summing the opacity of the observations and dividing this sum by the number of observations in the set.

2.5.3. Instantaneous Limitation Regulation

For aninstantaneous limitation, a 2-minute averaging time will be used. Opacity observations shall be reduced by averaging eight consecutive observations recorded at 15-second intervals. Divide the observations recorded on the record sheet into sets of eight consecutive observations. A set is composed of any eight consecutive observations. Sets need not be consecutive in time. In no case shall two sets overlap. For each set of eight observations, calculate the average by summing the opacity of the eight observations and dividing this sum by eight.

3. Qualifications and Testing

3.1 Certification Requirements

To receive certification as a qualified observer, a candidate must be tested and demonstrate the ability to assign opacity readings in 5 percent increments to 25 different black plumes and 25 different white plumes, with an error not to exceed 15 percent opacity on any one reading and an average error not to exceed 7.5 percent opacity in each category. Candidates shall be tested according to the procedures described in paragraph 3.2. Smoke generators used pursuant to paragraph 3.2 shall be equipped with a smoke meter which meets the requirements of paragraph 3.3.

The certification shall be valid for a period of 6 months, at which time the qualification procedure must be repeated by any observer in order to retain certification.

3.2 Certification Procedure

The certification test consists of showing the candidate a complete run of 50 plumes—25 black plumes and 25 white plumes—generated by a smoke generator. Plumes within each set of 25 black and 25 white runs shall be presented in random order. The candidate assigns an opacity value to each plume and records his observation on a suitable form. At the completion of each run of 50 readings, the score of the candidate is determined. If a candidate fails to qualify, the complete run of 50 readings must be repeated in any retest. The smoke test may be administered as part of a smoke school or training program, and may be preceded by training or familiarization runs of the smoke generator during which candidates are shown black and white plumes of known opacity.

3.3. Smoke Generator Specifications

Any smoke generator used for the purpose of paragraph 3.2 shall be equipped with a smoke meter installed to measure opacity across the diameter of the smoke generator stack. The smoke meter output shall display in-stack opacity based upon a path length equal to the stack exit diameter on a full 0 to 100 percent chart recorder scale. The smoke meter optical design and performance shall meet the specifications shown in Table 7. The smoke meter shall be calibrated as prescribed in paragraph 3.3.1 prior to the conduct of each smoke reading tests. At the completion of each test, the zero and span drift shall be checked and if the drift exceeds ±1 percent opacity, the condition shall be corrected prior to conducting any subsequent test runs. The smoke meter shall be demonstrated at the time of installation to meet the specifications listed in Table 7. This demonstration shall be repeated following any subsequent repair or replacement of the photocell or associated electronic circuitry including the chart recorder or output meter, or every 6 months, whichever occurs first.

TABLE 7.—SMOKE METER DESIGN AND PERFORMANCE SPECIFICATIONS

Parameter	Specification
a. Light source	Incandescent lamp operated at nominal rated voltage.
b. Spectral response of photocell	Photopic (daylight spectral response of the human eye-reference 4.1).
c. Angle of view	15 degrees maximum total angle.
d. Angle of projection	15 degrees maximum total angle.
e. Calibration error	± 3 percent opacity, maximum.
f. Zero and span drift	± 1 percent opacity, 30 minutes.
g. Response time	≤ 5 seconds.

3.3.1 Calibration

The smoke meter is calibrated after allowing a minimum of 30 minutes warm-up by alternately producing simulated opacity of 0 percent and 100 percent. When stable response at 0 percent or 100 percent is noted, the smoke meter is adjusted to produce an output of 0 percent or 100 percent as

appropriate. This calibration shall be repeated until stable 0 percent and 100 percent readings are produced without adjustment. Simulated 0 percent and 100 percent opacity values may be produced by alternately switching the power to the light source on and off while the smoke generator is not producing smoke.

3.3.2 Smoke Meter Evaluation

The smoke meter design and performance are to be evaluated as follows:

3.3.2.1 *Light Source.* Verify from manufacturer's data and from voltage measurements made at the lamp, as installed, that the lamp is operated within ±5 percent of the nominal rated voltage.

3.3.2.2 *Spectral Response of Photocell.* Verify from manufacturer's data that the photocell has a photopic response; i.e., the spectral sensitivity of the cell shall closely approximate the standard spectral-luminosity curve for photopic vision which is referenced in (b) of Table 7.

3.3.2.3 *Angle of View.* Check construction geometry to ensure that the total angle of view of the smoke plume, as seen by the photocell, does not exceed 15 degrees. The total angle of view may be calculated from: $0 = 2 \tan^{-1} d/2L$, where 0 = total angle of projection; d = the sum of the length of the lamp filament + the diameter of the limiting aperture; and L = distance from the lamp to the limiting aperature. The limiting aperture is the point in the path between the photocell and the smoke plume where the angle of view is most restricted. In smoke generator smoke meters this is normally an orifice plate.

3.3.2.4 *Angle of projection.* Check construction geometry to ensure that the total angle of projection of the lamp on the smoke plume does not exceed 15 degrees. The total angle of projection may be calculated from: $0 = 2 \tan -^{1} d/2L$, where 0 = total angle of projection; d = the sum of the length of the lamp filament + the diameter of the limiting aperature; and L = the distance from the lamp to the limiting aperature.

3.3.2.5 *Calibration Error.* Using neutral-density filters of known opacity, check the error between the actual response and the theoretical linear response of the smoke meter. This check is accomplished by first calibrating the smoke meter according to 3.3.1. and then inserting a series of three neutral-density filters of nominal opacity of 20, 50, and 75 percent in the smoke meter path length. Filters calibrated within ±2 percent shall be used. Care should be taken when inserting the filters to prevent stray light from affecting the meter. Make a total of five nonconsecutive readings for each filter. The maximum error on any one reading shall be 3 percent opacity.

3.3.2.6 *Zero and Span Drift.* Determine the zero and span drift by calibrating and operating the smoke generator in a normal manner over a 1-hour period. The drift is measured by checking the zero and span at the end of this period.

3.3.2.7 *Response Time.* Determine the response time by producing the series of five simulated 0 percent and 100 percent opacity values and observing the time required to reach stable response. Opacity values of 0 percent and 100 percent may be simulated by alternately switching the power to the light source off and on while the smoke generator is not operating.

4. References

4.1 Federal Register, Volume 39, No. 219, November 12, 1974. Method 9—Visual Determination of the Opacity of Emissions from Stationary Sources (Appendix A).

4.2 Technical Assistance Document: Quality Assurance Guideline for Visible Emission Training Programs, Office of Air, Noise, and Radiation, EPA–600/S4–83–011, May 1982.

4.3 Quality Assurance Handbook for Air Pollution Measurement Systems: Volume III, Stationary Source Specific Methods, Section 3.12, Method 9, Visible Determination of the Opacity of Emissions from Stationary Sources, Environmental Monitoring Systems Laboratory, EPA–600/4–77–027(b), February 1984.

[FR Doc. 86–19598 Filed 8–28–86; 8:45 am]

BILLING CODE 6560-50-M

federal register

Friday
August 29, 1986

Part VII

Department of the Interior

Fish and Wildlife Service

50 CFR Part 20

Final Migratory Bird Hunting Regulations on Certain Federal Indian Reservations, Indian Territory, and Ceded Lands

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

50 CFR Part 20

Final Migratory Bird Hunting Regulations on Certain Federal Indian Reservations, Indian Territory, and Ceded Lands

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Final rule.

SUMMARY: This rule prescribes special migratory bird hunting regulations to be established for certain tribes on Federal Indian reservations, Indian Territory, and ceded lands in the 1986–87 hunting season. This season begins as early as September 1.

EFFECTIVE DATE: This rule takes effect on September 1, 1986.

ADDRESSES: Comments received on the proposed special hunting regulations and tribal proposals are available for public inspection during normal business hours in Room 536, Matomic Building, 1717 H Street, NW., Washington, DC. Communications regarding the documents should be addressed to Director (FWS/MBMO), Room 536, Matomic Building, U.S. Fish and Wildlife Service, Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Rollin D. Sparrow, Chief, Office of Migratory Bird Management, U.S. Fish and Wildlife Service, Department of the Interior, Washington, DC 20240 (202) 254–3207.

SUPPLEMENTARY INFORMATION: The Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755; 16 U.S.C 703 et seq.), authorizes and directs the Secretary of the Interior, having due regard for the zones of temperature and for the distribution, abundance, economic value, breeding habits, and times and lines of flight of migratory game birds, to determine when, to what extent, and by what means such birds or any part, nest or egg thereof may be taken, hunted, captured, killed, possessed, sold, purchased, shipped, carried, exported or transported.

In the July 30, 1986, **Federal Register** (51 FR 27376–27382), the U.S. Fish and Wildlife Service (hereinafter the Service) proposed special migratory bird hunting regulations for the 1986–87 hunting season for certain Indian tribes, under the interim guidelines published for this purpose on September 3, 1985, (at 50 FR 35767–35765). The guidelines were developed in response to tribal requests for Service recognition of their reserved hunting rights, and for some tribes, recognition of their full wildlife management authority to regulate all hunting by both tribal and nontribal members on their reservations The guidelines include possibilities for: (1) On-reservation hunting by both tribal and nontribal members, with hunting by nontribal members on some reservations to take place within Federal frameworks, but on dates different from those selected by the surrounding State(s); (2) on-reservation hunting by tribal members only, outside of usual Federal frameworks for season dates and length, and for daily bag and possession limits; and (3) off-reservation hunting by tribal members on ceded lands, outside of usual framework dates and season length, with some added flexibility in daily bag and possession limits. In all cases, the regulations established under the guidelines would have to be consistent with the closed season requirement mandated by the 1916 Migratory Bird Treaty with Canada. Tribes that desired special hunting regulations in the 1986–87 hunting season were requested in the December 5, 1985, **Federal Register** (at 50 FR 49870–49871) to submit a proposal that included details on: (1) requested season dates and other regulations to be observed; (2) harvest anticipated under the requested regulations; (3) methods that will be employed to measure or monitor harvest; (4) steps that will be taken to limit level of harvest, where it could be shown that failure to limit such harvest would impact seriously on the migratory bird resource; and (5) tribal capabilities to establish and enforce migratory bird hunting regulations. No action is required if a tribe wishes to observe the hunting regulations that are established by the State(s) in which an Indian reservation is located.

The National Congress of American Indians (NCAI) raised a number of concerns in an August 14, 1986, letter regarding the July 30, 1986, proposed rules. For the most part, the NCAI comments address the guidelines that the Service employs in establishing special migratory bird hunting regulations for Indian tribes. The NCAI comments and the Service's response follow:

Comment 1. The NCAI questioned Service authority to regulate migratory bird hunting by tribal members within their reservations and in off-reservation areas where they have treaty hunting rights, and harvest is regulated by the tribal government.

Response. The Service holds that the 1916 Migratory Bird Treaty with Canada applies to Indians. However, as pointed out in the July 30, 1986, **Federal Register**, the Service recognizes that sustenance hunting of waterfowl and other migratory game birds outside of usual Federal frameworks has been traditional by tribal members on some Federal Indian reservations. This harvest is small in comparison with the off-reservation sport harvest in the surrounding State(s), and the Service does not oppose it, provided hunting does not occur during the closed season mandated by the Canadian treaty and the harvest is not excessive. The Service will continue use of the guidelines to reach agreement with interested tribes for on-reservation hunting regulations for tribal members. The Service believes, however, that Federal regulations for off-reservation hunting seasons on ceded lands should be reached through consultation with the affected State(s), as well as tribes. The Service's aim is to accommodate the reserved hunting rights of tribes in a manner that does not cause adverse impacts on the migratory bird resource.

Comment 2. While not endorsing the guidelines and proposed rules, the NCAI concluded that they offer positive steps toward helping Indian governments exercise their management authority over wildlife resources. For example, the NCAI pointed out that the lack of tribal criminal jurisdiction over non-Indians is a serious obstacle to enforcement of tribal regulations, and the possibility of Federal prosecution of non-Indians for violations of tribal regulations would improve this situation. Similarly, Service recognition of Indian hunting rights within their reservation and in off-reservations areas may be beneficial in helping non-Indians understand the nature of these rights.

Response. The Service notes that all migratory bird hunting by nontribal members is subject to Federal enforcement. Tribes needing enforcement assistance should contact the appropriate Service Regional Office. Insofar as tribal hunting rights for migratory birds are concerned, the Service reiterates that it is appropriate to accommodate tribes to the extent that this accommodation is compatible with migratory bird conservation. The Service also believes it is appropriate to aid tribes in their wildlife management programs directed at non-Indians. However, such programs have the potential of having much greater impacts on migratory game birds than does hunting by tribal members. Consequently, requests for special regulations for nontribal members, under the guidelines established for this purpose, will be closely scrutinized to ensure that migratory bird populations are not affected adversely.

Comment 3. The NCAI had concerns regarding the Service's position in regard to the "full wildlife management authority" of Indian tribes. According to the NCAI, full wildlife management authority is an inherent aspect of tribal sovereignty which exists unless limited for a specific tribe by treaty, Act of Congress, tribal constitution, or a Federal court decision, and it is not something that a tribe gains through a court decision or by some other means. The NCAI believes that the approach now being taken by the Service could encourage some tribes to pursue litigation, and recommended that the Service presume that a tribe has full wildlife management authority.

Response. Full wildlife management authority, as used by the Service, applies to reservations on which it is recognized that tribes have jurisdiction over hunting by both tribal and nontribal members on all reservation lands, as the result of a Federal court decision, by the consent of the States in which the reservations are located, or by some other authority. Two examples are the Colorado River and the Navajo Indian Reservations. The Service notes that virtually all lands on these and other Federal Indian Reservations in the Southwestern United States are tribally owned or trust lands. Indian tribes usually can exercise jurisdiction on such lands anyway. However, the question of jurisdiction is more complex on reservations that include lands owned by non-Indians. A recent Federal court decision has held that States generally have jurisdiction over hunting by nontribal members on non-Indian lands within reservations. This poses a practical limitation on tribal wildlife management authority on Federal Indian reservations that have a checkerboard pattern of Indian and non-Indian land ownership. Generally, the Service does not believe it would be an appropriate conservation measure to establish migratory bird hunting regulations that would permit nontribal members to hunt on different season dates on Indian and non-Indian lands on such reservations. Instead, tribal and State officials should, to the maximum extent possible, reach mutual agreement on reservation-wide hunting regulations on such reservations. On reservations where only a small fraction of the total amount of land is owned by non-Indians, the Service may consult with tribal and State officials for the purpose of reaching mutual agreement on reservation-wide hunting regulations. As an alternative, the Service, in consultation with an Indian tribe and the affected State, may establish a special zone that will include both a reservation and off-reservation non-Indian lands. This approach recently was used to resolve jurisdictional and boundary questions on the Fort Hall Indian Reservation in Southeastern Idaho. Any such zones must have uniform season dates and other hunting regulations, and harvest of waterfowl and other migratory game birds should not be significantly larger than would have occurred in the absence of the zone.

Comment 4. The NCAI noted that "Indian Territory" is a term that does not have a commonly accepted meaning and that the service should clarify its meaning when used in the guidelines and rules.

Response. The use of the term by the Service was made at the request of the Penobscot Indian Nation and is intended to apply to the Penobscot and Passamaquoddy reservations and other tribal lands acquired as the result of the 1980 Maine Indian Claims Settlement. The Service agrees that use of the term may be confusing to most readers. In the future, it will be used only in reference to the tribes affected by the claims settlement.

As a result of recent consultations with tribal and State officials, the 1986–87 waterfowl regulations for the Fort Hall Indian Reservation also will include surrounding off-reservation areas. This special zone is generally described in the August 15, 1986, **Federal Register** (at 51 FR 29289). The hunting season dates for ducks, coots, common moorhens, and common snipe likely will be different in this zone than elsewhere in Idaho. Since this special zone includes off-reservation areas, the final waterfowl hunting regulations will be published prior to the 1986–87 waterfowl hunting season in a later **Federal Register**.

The White Mountain Apache Tribe did not respond to the request for additional information or to the Service's proposed regulations for the Fort Apache Indian Reservation, published on July 30, 1986 (at 51 FR 27379).

Therefore, the Service has withdrawn these proposed hunting regulations, and presumes that any migratory bird hunting seasons for nontribal members on the reservation will be, as in past years, under the same regulations as established by the State of Arizona. The Service further presumes that migratory bird hunting regulations for nontribal members on all Indian reservations not mentioned in this document also will be the same as established by the State(s) in which each reservation is located.

In this final rule, the Service corrects shooting hours and adds geese to subsistence hunting regulations for the Penobscot Indian Nation. Geese were inadvertently omitted in the earlier proposed rule. Harvest of geese by tribal members under subsistence hunting regulations is expected to be too small to have any significant impact.

Nontoxic Shot Regulations

In the January 6, 1986, **Federal Register** (51 FR 409), the Service published a proposed rule describing area in which lead shot would be prohibited for waterfowl and coot hunting in the 1986–87 hunting season. Appendix O of the recently published Final Supplemental Environmental Impact Statement on the Use of Lead shot for Hunting Migratory Birds in the United States contains a preliminary final rule addressing the 1986–87 nontoxic shot zones. The final rule describing areas where nontoxic shot is required will become effective September 1, 1986.

Waterfowl hunters are advised to become familiar with tribal regulations regarding the use of nontoxic shot for waterfowl and coot hunting. Attention is also directed to the January 6, 1986, **Federal Register** (51 FR 409) which gave notice that if nontoxic shot zones are not approved when current service guidelines and criteria indicate such zones are necessary to protect migratory birds, the Secretary of the Interior, acting through the Service, will not open those areas to waterfowl and coot hunting.

NEPA Consideration

The "Final Environmental Statement for the Issuance of Annual Regulations Permitting the Sport Hunting of Migratory Birds (FES 75–54)" was filed with the Council on Environmental Quality on June 6, 1975, and notice of availability was published in the **Federal Register** on June 13, 1975 (40 FR 24241). In addition, an August 1985, environmental assessment entitled "Guidelines for Migratory Bird Hunting Regulations on Federal Indian Reservations and Ceded Lands" is available from the Service.

Endangered Species Act Consideration

Section 7 of the Endangered Species Act provides that, "The Secretary shall review other programs administered by him and utilize such programs in furtherance of the purposes of this Act" [and shall]" insure that any action authorized, funded, or carried out . . . is not likely to jeopardize the continued existence of any endangered species or

threatened species or result in the destruction or adverse modification of [critical] habitat. . . ."

Consequently, the Service initiated section 7 consultation under the Endangered Species Act for the proposed hunting season on Federal Indian Reservations, Indian Territory, and ceded lands.

On August 6, 1986, the Office of Endangered Species notified the Office of Migratory Bird Management of its concurrence with the finding that the proposed action will not affect any listed species or any critical habitat.

Regulatory Flexibility Act, Executive Order 12291, and the Paperwork Reduction Act

In the **Federal Register** dated March 21, 1986 (at 51 FR 9859), the Service reported measures it had undertaken to comply with requirements of the Regulatory Flexibility Act and the Executive Order. These included preparing a Determination of Effects and an updated Final Regulatory Impact Analysis, and publication of a summary of the latter. These regulations have been determined to be major under Executive Order 12291, and they have a significant economic impact on substantial numbers of small entities under the Regulatory Flexibility Act. This determination is detailed in the aforementioned documents which are available upon request from the Office of Migratory Bird Management, U.S. Fish and Wildlife Service, Department of the Interior, Washington, DC 20240. These proposed regulations contain no information collections subject to Office of Management and Budget review under the Paperwork Reduction Act of 1980.

Memorandum of Law

The Service published its Memorandum of Law, required by section 4 of Executive Order 12291, in the **Federal Register** dated July 25, 1986, (at 51 FR 26714).

Authorship

The primary author of this final rule is Fant W. Martin, Office of Migratory Bird Management, working under the direction of Rollin D. Sparrowe, Chief.

Regulations Promulgation

The rulemaking process for migratory bird hunting must, by its nature, operate under severe time constraints. However, the Service is of the view that every attempt should be made to give the public the greatest possible opportunity to comment on the regulations. Thus, when the proposed hunting regulations for certain tribes were published on July 30, 1986, the Service established the longest period possible for public comment. In doing this the Service recognized that time would be of the essence. The comment periods provided the maximum amount of time possible while ensuring that a final rule was published before the beginning of the hunting season on September 1, 1986.

Therefore, under authority of the Migratory Bird Treaty Act of July 3, 1918, as amended (40 Stat. 755; 16 U.S.C. 703 et seq.) the Service prescribes final hunting regulations for certain tribes on Federal Indian reservations, Indian Territory, and ceded lands. The regulations specify the species to be hunted and establish season dates, bag and possession limits, season length, and shooting hours for migratory game birds other than waterfowl. However, final Federal frameworks for waterfowl hunting seasons (opening and closing framework dates, daily bag and possession limits, etc.) are planned for publication on September 9, 1986. Because it was necessary to publish this document by September 1, 1986, most waterfowl regulations for the tribes listed here are shown as "within final Federal frameworks to be established."

The Service finds that "good cause" exists, within the terms of 5 U.S.C. 553(d)(3) of the Administrative Procedure Act, and this final rule will, therefore, take effect on September 1, 1986.

List of Subjects in 50 CFR Part 20

Exports, Hunting, Imports, Transportation, Wildlife.

PART 20—[AMENDED]

For the reasons set out in the preamble, Title 50, Chapter I, Subchapter B, Part 20, Subpart K, is amended as set forth below.

1. The authority citation for Part 20 continues to read as follows:

Authority: Migratory Bird Treaty Act, sec. 3, Pub. L. 65–186, 40 Stat. 755 (16 U.S.C. 701–708h); sec. 3(h), Pub. L. 95–616, 92 Stat. 3112 (16 U.S.C. 712); Alaska Game Act of 1925, 43 Stat. 739, as amended, 54 Stat. 1103–04.

Note.—The following annual hunting regulations provided for by § 20.110 of 50 CFR Part 20 will not appear in the Code of Federal Regulations because of their seasonal nature.

2. Section 20.110 is revised to read as follows:

§ 20.110 Seasons, limits, and other regulations for certain Federal Indian reservations, Indian Territory, and ceded lands.

(a) Penobscot Indian Nation, Penobscot Indian Territory, Old Town, Maine

(1) *Ducks.*[1]

Same season dates, season length, and daily bag and possession limits as regular duck season in Maine.

(2) *Geese.*[1]

Same season dates, season length, and daily bag and possession limits as regular season for geese in Maine.

(3) *General Conditions.*

(i) Tribal members may hunt waterfowl (ducks and geese) on Penobscot Indian Territory under special sustenance regulations during the 1986–87 hunting season. Sustenance season dates are September 20–November 30. Daily bag limits for ducks in the sustenance season are 4, of which no more than 2 can be wood ducks and no more than 2 be black ducks. Where sustenance and the regular State hunting seasons overlap, daily bag limits for tribal members shall be only the larger of the two bag limits. Daily bag limits for geese during the sustenance season shall be 3 Canada geese, 3 snow geese, or 3 in the aggregate.

(ii) Possession limits of ducks and geese during the tribal sustenance season are applicable only to transportation and do not include birds which are cleaned, dressed, and at a member's primary residence.

(iii) Tribal members shall comply with all basic Federal migratory bird hunting regulations in 50 CFR Part 20 regarding shooting hours and manner of taking, except that during the sustenance season, tribal members shall be permitted to hunt from ½ hour before sunrise to ½ hour after sunset.

(iv) All tribal and nontribal waterfowl hunters 16 years of age or over must possess and carry on their persons a valid Migratory Bird Hunting and Conservation Stamp, or duck stamp, signed in ink across the face.

(v) Nontribal members hunting waterfowl on Penobscot Indian Territory shall comply with all Federal and State migratory bird hunting regulations. Special regulations established by the Penobscot Indian Nation also apply on Penobscot Indian Territory.

---

[1] Final Federal frameworks to be established.

(b) Navajo Indian Reservation, Window Rock, Arizona

(1) *Ducks, (including Mergansers).*[1]
Season Dates: October 11–November 30.
Daily Bag and Possession Limits: Same as permitted Pacific Flyway States under final Federal frameworks.
(2) *Canada Geese (Season closed on other geese).*[1]
Season Dates: December 27–January 4.
Daily Bag and Possession Limits: 2 daily. Possession limit 4. Season limit 5.
(3) *Other Migratory Game Birds.*
(i) Coots and Common Moorhens *(Gallinule).*[1]
Season Dates: October 11–November 30.
Daily Bag and Possession Limits: Same as permitted Pacific Flyway States under final Federal frameworks.
(ii) *Mourning Doves.*
Season Dates: September 1–September 30.
Daily Bag and Possession Limits: 12 daily. Possession limit 24.
(iii) *Band-tailed Pigeons.*
Season Dates: September 1–September 30.
Daily Bag and Possession Limits: 5 daily. Possession limit 10.
(4) *General Conditions.* Tribal and nontribal members will comply with all basic Federal migratory bird hunting regulations in 50 CFR Part 20 regarding shooting hours and manner of taking. In addition, each waterfowl hunter 16 years of age or over must carry on his person a valid Migratory Bird Hunting and Conservation Stamp, or duck stamp, signed in ink across the face. Special regulations established by the Navajo Nation also apply on the reservation.

(c) Jicarilla Indian Reservation, Dulce, New Mexico

(1) *Ducks (including Mergansers).*[1]
Season Dates: October 4–November 30.
Daily Bag and Possession Limits: Same as permitted Pacific Flyway States under final Federal frameworks.
(2) *Geese.*[1]
Season Dates: October 4–November 30.
Daily Bag and Possession Limits: Same as permitted Pacific Flyway portion of New Mexico under final Federal frameworks.
(3) *General Conditions.* Tribal and nontribal hunters will comply with all basic Federal migratory bird hunting regulations in 50 CFR Part 20 regarding shooting hours and manner to taking. In addition, each waterfowl hunter 16 years of age or over must carry on his person a valid Migratory Bird Hunting and Conservation Stamp, or duck stamp, signed in ink across the face. Special regulations established by the Jicarilla Apache Tribe also apply on the reservation.

(d) Colorado River Indian Reservation, Parker, Arizona

(1) *Ducks (including Mergansers).*[1]
Season Dates: Same as Colorado River Zone in California.
Daily Bag and Possession Limits: Same as Colorado River Zone in California.
(2) *Geese.*[1]
Season Dates: Same as Colorado River Zone in California.
Daily Bag and Possession Limits: Same as Colorado River Zone in California.
(3) *Other Migaratory Game Birds.*
(i) *Coots and Common Moorhens (Gallinule).*[1]
Season Dates: Same as for ducks in Colorado River Zone in California.
Daily Bag and Possession Limits: Same as Colorado River Zone in California.
(ii) *Common (Wilson's Snipe.*[1]
Season Dates: Same as for ducks in Colorado River Zone in California.
Daily Bag and Possession Limits: Same as Colorado River Zone in California.
(iii) *Mourning Doves and White-winged Doves.*
Season Dates: September 1–October 15; November 15–November 29.
Daily Bag and Possession Limits: Daily bag limit is 15 and possession limit is 30 mourning and white-winged doves, singly or in the aggregate of the species; however, the bag and possession limit of white-winged doves may not exceed 10 and 20, respectively.
(4) *General Conditions.* Tribal and nontribal hunters will comply with all basic Federal migratory bird hunting regulations in 50 CFR Part 20 regarding shooting hours and manner of taking. In addition, each waterfowl hunter 16 years of age or over must carry on his person a valid Migratory Bird Hunting and Conservation Stamp, or duck stamp, signed in ink across the face. Special regulations established by the Colorado River Indian Tribes also apply on the reservation.

(e) Great Lakes Indian Fish and Wildlife Commission, Odanah, Wisconsin (Tribal Members Only).

(1) *Ducks (including Mergansers).*[1]
Wisconsin Zone.
Season Dates: Begin 15 days prior to opening of regular State duck season. End with closure of State duck season.
Daily Bag and Possession Limits: Same as permitted Wisconsin under final Federal frameworks.
Michigan Zone: Same season dates, season length, and daily bag and possession limits permitted Michigan under Federal frameworks.
(2) *Geese.*[1]
Wisconsin Zone.
Canada Geese.
Season Dates: Begin September 25. End October 31.
Daily Bag and Possession Limits: 3 daily. Possession limit 6.
Other Geese (Snow Geese, Blue geese, White-fronted geese).
Same dates, season length, and daily bag and possession limits permitted Wisconsin under final Federal frameworks.
Michigan Zone.
Canada Geese.
Season Dates: Same dates and season length permitted Michigan under final Federal frameworks.
Daily Bag and Possession Limits: 3 daily. Possession limit 6.
Other Geese (Snow geese, Blue geese, White-fronted geese: Same dates, season length, and daily bag and possession limits permitted Michigan under final Federal frameworks.
(3) *Other Migratory Game Birds.*
(i) Coots, Common Moorhens (Gallinule), and Purple Gallinule.[1]
Wisconsin Zone.
Season Dates: Begin 15 days prior to opening of regular State duck season. End with closure of State duck season.
Daily Bag and Possession Limits: 15 daily, singly or in aggregate. Possession limit 30.
Michigan Zone.
Season Dates: Same dates permitted Michigan under final Federal frameworks.
Daily Bag and Possession Limits: 15 daily, singly or in aggregate. Possession limit 30.
(ii) Sora and Virginia Rails.
Michigan and Wisconsin Zones.
Season Dates: September 15–November 19.
Daily Bag and Possession Limits: 25 daily, singly or in the aggregate. Possession limit 25.
(iii) Common (Wilson's) Snipe.
Michigan and Wisconsin Zones.
Season Dates: September 15–November 19.
Daily Bag and Possession Limits: 8 daily. Possession limit 16.
(iv) Woodcock.
Michigan and Wisconsin Zones.
Season Dates: September 15–November 19.
Daily Bag and Possession Limits: 5 daily. Possession limit 10.
(4) *General Conditions.*
(i) Tribal members will comply with all basic Federal migratory bird hunting regulations, 50 CFR Part 20, and

shooting hour regulations, 50 CFR Part 20, Subpart K.

(ii) Nontoxic shot will be required for all off-reservation waterfowl hunting by tribal members.

(iii) In Wisconsin Zone tribal members will comply with sec. NR 10.09(1)(a)(2) and (3), Wis. Adm. Code (shotshells), sec. NR 10.12(1)(c), Wis, Adm. Code (shooting from structures), sec. NR 10.12(1)(g), Wis. Adm. Code (decoys), and sec. 29.27, Wis. Stats. (duck blinds).

(iv) In Wisconsin and Michigan Zones, tribal members will comply with State regulations providing for closed and restricted waterfowl hunting areas.

(v) Possession limits are applicable only to transportation and do not include birds which are cleaned, dressed, and at a member's primary residence. For purposes of enforcing bag and possession limits, all migratory birds in the possession or custody of tribal hunters on ceded lands will be considered to have been taken on those lands unless tagged by a tribal or State Conservation warden as taken on-reservation. In Wisconsin, such tagging shall comply with sec. NR 19.12, Wis. Adm. Code. All migratory birds which fall on reservation lands will not count as part of any off-reservation bag or possession limit.

Dated: August 27, 1986.

P. Daniel Smith,

Deputy Assistant Secretary for Fish and Wildlife and Parks.

[FR Doc. 86-19668 Filed 8-28-86; 8:45 am]

BILLING CODE 4310-55-M

Reader Aids

Federal Register

Vol. 51, No. 168

Friday, August 29, 1986

INFORMATION AND ASSISTANCE

SUBSCRIPTIONS AND ORDERS

Subscriptions (public)	202-783-3238
Problems with subscriptions	275-3054
Subscriptions (Federal agencies)	523-5240
Single copies, back copies of FR	783-3238
Magnetic tapes of FR, CFR volumes	275-1184
Public laws (Slip laws)	275-3030

PUBLICATIONS AND SERVICES

Daily Federal Register

General information, index, and finding aids	523-5227
Public inspection desk	523-5215
Corrections	523-5237
Document drafting information	523-5237
Legal staff	523-4534
Machine readable documents, specifications	523-3408

Code of Federal Regulations

General information, index, and finding aids	523-5227
Printing schedules and pricing information	523-3419

Laws 523-5230

Presidential Documents

Executive orders and proclamations	523-5230
Public Papers of the President	523-5230
Weekly Compilation of Presidential Documents	523-5230

United States Government Manual 523-5230

Other Services

Library	523-4986
Privacy Act Compilation	523-4534
TDD for the deaf	523-5229

FEDERAL REGISTER PAGES AND DATES, AUGUST

27515-27810.....1
27811-28058.....4
28059-28218.....5
28219-28320.....6
28321-28508.....7
28509-28686.....8
28687-28798.....11
28799-28920.....12
28921-29084.....13
29085-29200.....14
29201-29442.....15
29443-29544.....18
29545-29628.....19
29629-29900.....20
29901-30044.....21
30045-30200.....22
30201-30322.....25
30323-30472.....26
30473-30622.....27
30623-30834.....28
30835-31088.....29

CFR PARTS AFFECTED DURING AUGUST

At the end of each month, the Office of the Federal Register publishes separately a List of CFR Sections Affected (LSA), which lists parts and sections affected by documents published since the revision date of each title.

1 CFR

3.....28509

3 CFR

Proclamations:

5514.....27515
5515.....28218
5516.....29200
5517.....30470
5518.....30623

Administrative Orders:

Memorandums:
July 31, 1986.....27811
August 1, 1986.....28219
August 14, 1986.....29443, 29445
August 20, 1986.....30201

5 CFR

532.....28799
890.....28799
1201.....28321

Proposed Rules:

540.....29655
870.....28576
871.....28576
872.....28576
873.....28576
890.....28576, 29655, 30068

7 CFR

2.....29201
12.....29901, 30835
20.....30203
26.....28800
29.....28687, 30196
51.....27813, 28802
272.....28196, 30045
273.....28196, 30045
301.....30049, 30835
370.....30836
400.....29202
402.....29204
403.....29204, 29205
405.....29205
409.....29204, 29205
410.....29204
411.....29204, 29205
413.....29204, 29205
414.....29204
415.....29204, 29205
416.....29204, 29205
417.....29204, 29205
418.....29204-29207
419.....29204-29207
420.....29204-29207
421.....29204-29207
422.....29204, 29205
423.....29204, 29205
424.....29204-29207
425.....29204, 29205
426.....29204
427.....29204-29207
428.....29204, 29205
429.....29204, 29205
430.....29204, 29205
431.....29204, 29205
432.....29204-29207
433.....29204, 29205
435.....29204, 29205
436.....29204, 29205
437.....29204, 29205
438.....29204, 29205
439.....29204, 29205
440.....29204
441.....29204
442.....29204
443.....29204
444.....29204
445.....29204
446.....29204, 29205
447.....29204, 29205
448.....29204-29207
449.....29204
450.....29204, 29205
451.....29204, 29205
652.....29208
770.....28921
810.....30323
908.....27816, 28509, 29208, 30051, 30837
910.....28059
911.....27517
918.....27518
923.....29209
926.....29447
927.....30625
932.....28922
944.....29447
966.....30473
981.....30203
982.....29545
991.....28802
1036.....30325
1064.....28687
1065.....30204
1102.....28687
1106.....28687
1108.....28687
1126.....28687
1138.....28687
1240.....29210
1427.....28321
1475.....28803
1900.....29449, 29903
1924.....29903
1930.....27636
1940.....29901, 30835
1941.....29901, 30835
1943.....29901, 30835
1944.....27636
1945.....29901, 30835
1951.....27636
1965.....27636
1980.....29901, 29903, 30835

Proposed Rules:
52.....28719, 29656
68.....30368
235.....29236
250.....29236
252.....29236
255.....29236
330.....29401
340.....29401
400.....30369
421.....30496
424.....30497
425.....30497
441.....29246
447.....27862
656.....29251
907.....30219
920.....29473
929.....29936
985.....29109
987.....29251
1007.....29252
1011.....29252
1046.....29252
1065.....27553, 28721, 28819, 29938
1068.....28819
1079.....27554, 28819, 30220
1093.....29252
1094.....29252
1096.....29252
1098.....29252
1136.....27866
1137.....27554
1139.....27555
1205.....30069
1496.....29557
1709.....28722
1772.....29557, 29558

8 CFR

238.....28060, 28923, 29085, 30474, 30837

Proposed Rules:
214.....27867, 28576
248.....27867

9 CFR

75.....30327
77.....29629
78.....29629
92.....28805, 29210, 30051, 30838
205.....29449
302.....29905
303.....29905
317.....29456, 30052
318.....29456, 30052
381.....29905

Proposed Rules:
92.....27871
94.....30221
113.....30222
151.....30869

10 CFR

Ch. I.....29211
2.....30839
50.....27817, 28044, 30028, 30054
73.....27817, 27822, 30054
110.....27825

Proposed Rules:
19.....30870, 30873
20.....30870, 30873
30.....30870, 30873
31.....30870, 30873
32.....30870, 30873
34.....30870, 30873
40.....30870, 30873
50.....27872, 30870, 30873
61.....30870, 30873
70.....30870, 30873
73.....29656
100.....30224
435.....29754, 29773

11 CFR

Proposed Rules:
100.....28154
106.....28154
9001.....28154
9002.....28154
9003.....28154
9004.....28154
9005.....28154
9006.....28154
9007.....28154
9012.....28154
9031.....28154
9032.....28154
9033.....28154
9034.....28154
9035.....28154
9036.....28154
9037.....28154
9038.....28154
9039.....28154

12 CFR

1.....29085
17.....29089
201.....30847
207.....27518
220.....27518
221.....27518
224.....27518
303.....27826
337.....29630
501.....28221
522.....28221, 28690
523.....28221
545.....30848
563.....30848
570.....29458
620.....29459
621.....29459
622.....29460
623.....29460
741.....27522

Proposed Rules:
205.....28589
226.....28245, 29256
337.....29657
523.....30225
543.....30956
545.....30874
546.....30956
562.....30956
563.....30225, 30874, 30956
563b.....30956
574.....30956

13 CFR

107.....30750
310.....27828

14 CFR

21.....28509-28525, 30206, 30207
23.....28509-28525, 30206, 30207
25.....28322
39.....27523-27527, 27828-27830, 27832, 27833, 28061-28066, 28322, 28323, 28527, 28691, 28806, 28807, 29090, 29092, 29093, 29211-29213, 29910-29915, 30327-30331, 30628, 30629, 30853
71.....27833-27835, 28067, 28325, 28326, 28528, 28923, 29460, 29630, 30054, 30332-30334
73.....30208
75.....28809, 30334, 30630, 30855
97.....28326, 29631
121.....28322
250.....30475
1204.....27528
1209.....28924

Proposed Rules:
Ch. I.....28386, 28725
1.....28095
21.....29938-29944, 30666, 30667, 30669
23.....29938-29944, 30666, 30667, 30669
36.....27556
39.....27557, 27874, 28386, 28832, 29110, 29256-29259, 29474, 29475, 29659, 29946, 30070-30077, 30370, 30372, 30670, 30672
71.....28388-28390, 28956, 28957, 29261-29263, 29534, 30227, 30228, 30373, 30498, 30674, 30874
73.....28095, 30228, 30498
75.....28096, 28957, 30874
91.....29476
382.....30078

15 CFR

20.....28925
368.....30631
369.....30631
370.....28692, 30631
371.....28692, 30631
372.....30631
373.....28692, 30631, 30632
374.....28692, 30631
375.....30631
376.....30631
377.....30631
379.....28692, 30631
385.....30631
386.....30631
390.....30631
399.....28692, 28693, 30631

16 CFR

13.....28694, 28695, 29633
16.....30055
423.....28222
444.....28328
1500.....28529, 29094, 30209

Proposed Rules:
13.....28594, 29265, 29660, 29664, 30674
444.....30875
703.....29666
1500.....29778

17 CFR

1.....27529
5.....27529
16.....27529
33.....27529

Proposed Rules:
231.....28596
240.....28096
241.....28596

18 CFR

11.....30478
13.....30478
35.....30855
37.....27835
154.....27529, 28331
157.....27529, 28331
270.....27529, 28331
271.....27529, 28068, 28331
282.....30634
284.....27529, 28331
375.....30478
410.....28810

Proposed Rules:
37.....30374, 30499
271.....28102

19 CFR

6.....27836
101.....28070, 30335
111.....30336
171.....30336
177.....30346
178.....30336

Proposed Rules:
6.....30375
112.....30376
113.....27875
141.....28390
353.....29046

20 CFR

404.....28544
416.....28544
629.....30856
655.....30348

Proposed Rules:
404.....28834
410.....28834
416.....28834, 30499
655.....28599

21 CFR

74.....28331, 28346, 28929
81.....28331, 28346, 28363
82.....28331, 28346
133.....30210
175.....30059, 30060
176.....28545
178.....28930, 29460
193.....28223
211.....28810
310.....28810
314.....28810
331.....27762
332.....27762
344.....28556
357.....27756
369.....27756
433.....30478
436.....27531
440.....27531
442.....27531
510.....28546, 29916, 30211
520.....28546, 29215, 30211
522.....28546, 28932, 29462
546.....28546
556.....28932, 29097, 29462
558.....28546, 28547, 29097, 29463
561.....28223

1308.....28695
Proposed Rules:
812.....30675
882.....30675
1301.....30675
1308.....28725, 28727
1311.....30675
1312.....30675

22 CFR

Proposed Rules:
2a.....28391
526.....30878
527.....30878

23 CFR

635.....27532

24 CFR

20.....28364
35.....27774, 30635
44.....30478
111.....30478
200.....28696
203.....28548, 30478
204.....28548
207.....27837, 28547, 28699, 30478
221.....27837, 28547
236.....30478
251.....28699
255.....28699
290.....30478
300.....27838
390.....28551
511.....28703, 30478
570.....30478
571.....30478
812.....29463
850.....30478
880.....30478
881.....30478
882.....29463, 30478
883.....30478
884.....30478
886.....30478
888.....28486, 31014
892.....29633
905.....27774, 30635
941.....30478
965.....27774, 30635
968.....27774, 30478, 30635
970.....30478
990.....30478
Proposed Rules:
0.....30178
35.....27793, 30680
203.....28247
510.....27793, 30680
511.....27793, 30680
570.....27793, 30680
590.....27793, 30680

26 CFR

1.....28553, 30481
20.....28365, 30857
25.....28365, 30857
301.....30351
602.....28365, 30481, 30857

27 CFR

9.....30352
19.....28071
250.....28071
270.....28078, 30484
275.....28078, 30484
290.....28078
295.....28078
296.....28078, 30484
Proposed Rules:
4.....28836
5.....28836
7.....28836
9.....29478
270.....28106
275.....28106
290.....28106
295.....28106
296.....28106

28 CFR

0.....29464, 30485

29 CFR

102.....30635
1601.....29098, 30486
1620.....29816
1952.....27534
1956.....29917
1960.....28378
2603.....28379
2676.....29215
Proposed Rules:
102.....30884
530.....30036
602.....28840
1613.....29482
1910.....30230
1917.....30230
2560.....30501
2570.....30504
2603.....29497

30 CFR

901.....29098
914.....29100
917.....29917, 30486
931.....28553
943.....28554
Proposed Rules:
250.....29947
774.....27558
910.....27559
912.....27559
915.....28729
920.....28600, 28601
921.....27559
922.....27559
933.....27559
935.....29112
937.....27559
939.....27559
941.....27559
947.....27559
950.....27560

31 CFR

16.....28810
315.....28933
317.....30212
321.....30212
332.....28933
352.....28933
353.....28933
500 (authority extended by Memorandum of Aug. 20, 1986).....30201
505 (authority extended by Memorandum of Aug. 20, 1986).....30201
515 (authority extended by Memorandum of Aug. 20, 1986).....30201
520 (authority extended by Memorandum of Aug. 20, 1986).....30201
545.....28933
550.....28933
Proposed Rules:
10.....29113, 30510
103.....30233
357.....29559

32 CFR

90.....28092
706.....27535, 27536, 28933–28941, 29464–29468, 30213, 30493
Proposed Rules:
292a.....30510
553.....29115
701.....30377

33 CFR

100.....28706, 29919, 30636, 30637
117.....28380, 28707, 29101, 30060, 30061, 30638
140.....28381
142.....28381
161.....27839
165.....28382, 28383, 29468
207.....30639
Proposed Rules:
100.....29948
117.....27877
334.....28248

34 CFR

63.....29550
211.....29550
617.....29434
619.....29434
624.....29196
668.....29396, 29920, 30190
674.....28312, 30355
690.....30190
796.....29190
Proposed Rules:
11.....30511

36 CFR

1.....29469
3.....29469
34.....29101
261.....30355
Proposed Rules:
7.....28107–28110, 29498
60.....28204
63.....28204

37 CFR

1.....28052, 28555
2.....28052, 28555, 28707, 29920
201.....30061, 30214
306.....27537

38 CFR

21.....29470

39 CFR

10.....28383
111.....29922
320.....29636
Proposed Rules:
10.....28958

40 CFR

33.....28710
52.....27537, 27840, 27841, 28813, 29923, 30063
60.....29104
61.....27956
65.....28224, 29216, 30064
81.....27843–27845, 30065
171.....30494
180.....28225–28227
228.....29923, 29927
260.....28664, 29430
261.....28296, 28664, 29217–29219, 29430
262.....28664, 29430
263.....28664
264.....28556, 29430
265.....28556, 29430
270.....29430
271.....28094, 28664, 29430
461.....30814
761.....28556
799.....30216
Proposed Rules:
Ch. I.....29499, 30166
52.....27560, 27878, 29116, 30378, 31076
65.....28113, 29947, 30081
81.....29268, 30379
85.....28114
86.....30984
122.....29950
123.....29668
135.....29426
141.....28730
180.....28249, 28603, 28959, 29669, 30516, 30517
228.....30081
264.....29812
265.....29812
271.....28604
403.....29950
716.....27562, 29499
721.....28119
763.....28914
795.....27880
799.....27880, 28840

41 CFR

60–250.....30467
101–26.....29104
101–38.....29638
101–40.....27539

42 CFR

60.....30642
405.....27847, 28710, 29386, 30356
417.....28569
482.....27847
Proposed Rules:
110.....30518
124.....31000
405.....29560
417.....30518
434.....30518
447.....29560

43 CFR

11.....27674
Public Land Orders:
6620.....28229

6622.....28229
6623.....29641
Proposed Rules:
4.....28846

44 CFR

11.....29222
59.....30290
60.....30290
61.....30290
64.....28230, 28232, 30857, 30861
65.....30290
70.....30290
73.....30290
76.....30290
Proposed Rules:
67.....29500
81.....28119

45 CFR

232.....29223
233.....29223
1612.....27539
1630.....29076
2002.....28384
Proposed Rules:
1.....29560
19.....29560
74.....28960
1180.....29500

46 CFR

510.....30862
580.....30862
582.....30862
Proposed Rules:
31.....29116
61.....29116
71.....29116
91.....29116
150.....30241
160.....29117
167.....29116
169.....29116
189.....29116
502.....29124

47 CFR

15.....30362
22.....28236, 30865
64.....29230
68.....28237
73.....27552, 28237, 28942, 28943, 29105, 29551, 29552, 30363, 30364
87.....29106
90.....30865
97.....28237, 30645
Proposed Rules:
0.....27566
1.....27566, 30254, 30680
2.....28249
18.....30381
21.....27566
22.....27566
23.....27566
62.....27566
67.....29126, 30522
73.....27566, 27567, 28961, 29128–29130, 29273, 29574–29576, 30381
74.....27566
90.....29130, 29273
100.....30681

48 CFR

25.....30618
223.....28943, 29231
228.....28943, 29231
232.....28946
242.....28943, 29231
252.....28943, 29231
522.....28815
552.....28815
1801.....27848
1804.....27848
1805.....27848
1806.....27848
1807.....27848
1809.....27848
1813.....27848
1814.....27848
1815.....27848, 28574
1819.....27848
1825.....27848
1827.....27848
1832.....27848
1836.....27848
1837.....27848
1839.....27848
1842.....27848
1845.....27848
1847.....27848
1851.....27848
1852.....27848, 28574
1853.....27848
Proposed Rules:
Ch. 18.....30884
501.....29131
513.....29131
514.....30681
552.....30681
553.....29131

49 CFR

1.....29231, 29233, 29471
509.....29552
571.....28238, 29552
Proposed Rules:
Ch. X.....28847
27.....30382
171.....28962, 29503
172.....28962
173.....28605, 28962
175.....29503
192.....29504
385.....28607
391.....27567
531.....28730
1058.....28249
1152.....28962
1312.....28731

50 CFR

20.....28946, 30646, 31084
32.....30655
33.....30655
285.....28240, 28241, 29642
604.....28575
611.....30218
630.....28575
641.....28094, 29471
651.....29642
654.....30663
655.....28241, 29555
661.....27859, 28717, 28954, 30867
672.....30663
29234, 29471, 29654, 29932, 30066, 30364
663.....29933, 30365
671.....28242
672.....28385, 30218
674.....27860, 28243, 29107, 30365
683.....30367
Proposed Rules:
17.....29362, 29671
20.....29274, 29673
216.....28320, 28963, 29674
611.....28731, 29131
630.....29132
653.....30885
661.....29508
663.....29508
685.....29131

LIST OF PUBLIC LAWS

Note: No public bills which have become law were received by the Office of the Federal Register for inclusion in today's **List of Public Laws.**

Last List August 27, 1986